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# THE GOALS OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR THE 101ST CONGRESS

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PRINTED AT THE DIRECTION OF
HON. ERNEST F. HOLLINGS, *Chairman*

FOR THE USE OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

FEBRUARY 8, 1989

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## LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
*Washington, DC, February 7, 1989.*

DEAR COLLEAGUE: To accompany the funding resolution adopted by the Committee on Commerce, Science, and Transportation for the 101st Congress, the Committee has prepared a summary of its goals and objectives for the coming Congress. This summary, to be submitted to the Rules and Administration Committee on February 9, 1989, is attached.

I look forward to working with the members of the Committee as we make every effort to meet our goals as presented in this report.

Sincerely,

ERNEST F. HOLLINGS, *Chairman.*

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## FULL COMMITTEE

### TECHNOLOGY, TRADE, AND INVESTMENT

### TECHNOLOGY AND ECONOMIC COMPETITIVENESS

The Committee continues to be greatly concerned about the eroding U.S. lead in technologies of major economic importance. In a world of low-cost labor, technology remains America's one great competitive advantage. Yet American companies continue to lose market share in such important areas as electronics and semiconductors, and foreign competitors have large and determined commercial research and development programs in fields such as superconductivity, biotechnology, advanced television, and optoelectronics.

During the 100th Congress, two major technology initiatives authored by the Committee were enacted into law. The first, the Technology Competitiveness Act (a part of the Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418), reorganized the National Bureau of Standards (NBS) into a National Institute of Standards and Technology (NIST) with expanded authority and responsibility to assist U.S. industry. The second, Public Law 100-519, the NIST authorization legislation, consolidated Department of Commerce (DOC) technology programs into a new Technology Administration headed by a new Under Secretary.

During the 101st Congress, the Committee will hold hearings on how these new organizations and expanded authorities can help U.S. industry speed the commercialization of new inventions, improve manufacturing, and generally strengthen the Nation's technology base. The Committee will pay particular attention to three subjects—the contributions of NIST's in-house research to industrial competitiveness, the possibility of new industry-government research partnerships under NIST's Advanced Technology Program, and the ways in which DOC and other Federal agencies can speed the transfer of Federally-funded technology, including manufacturing technology, to a wide range of American companies. The Committee also will consider, as appropriate, the effect leveraged buyouts and corporate takeovers have on industrial research and development operations.

The Committee also will study ways to improve the coordination of the Federal Government's extensive science and technology programs, and will consider strengthening the coordination roles of the Office of Science and Technology Policy (OSTP) and the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET), two organizations under the Committee's jurisdiction.

## TRADE

Because of concerns about the health of the U.S. industrial base and U.S. technological leadership, the Committee was involved in the passage of the Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418, in the last session. While the trade deficit will decline in 1988, it remains significant and, while exports have increased, there are some experts who argue the United States faces a structural trade deficit of $100-$125 billion annually for years to come. The Committee intends to continue its examination of the strength of the U.S. industrial base. The Committee will examine the state of U.S. manufacturing and government policies which may or may not help to sustain our industrial base. The Committee will look at America's world economic position, U.S. policies affecting competitiveness, and proposals to strengthen the U.S. industrial base.

Major trade initiatives of the Administration will be reviewed—for example, the progress made in the new (Uruguay) round of multilateral trade negotiations within the General Agreement on Tariffs and Trade (GATT). Two of the five major issues in the new round—services and investment—are matters of concern to the Committee. The Committee also will focus on the effect on U.S. commerce of proposals for new free trade agreements with other countries.

Another area of interest to the Committee is the proposed economic integration of the European Community (EC) by 1992 and its effect on U.S. business. The EC/1992 project presents both potential problems and potential opportunities for U.S. businesses and U.S. exports. Some experts are worried that economic integration will lead to a "Fortress Europe" with barriers to U.S. exports, while others see the 1992 project as a means to increase U.S. market share in the Community. The Committee will look at the implications of actions taken to date by the EC, as well as proposals for future action and the implications of these actions for U.S. commerce with the EC.

## INVESTMENT

The Committee has legislative and oversight responsibility for the International Investment Survey Act, the major legislation in the foreign investment area. Foreign investment is, of course, essential to sustaining an economy with the large budget deficits the U.S. has been running in the 1980's, and the increase in investment is also due to the depreciation of the dollar since 1985. In 1987, the value of foreign direct investment in the U.S. was $262 billion, compared to $65.5 billion in 1980.

Last year, the Committee held a hearing on the federal government's collection of data on foreign investment. This Congress, the Committee will continue its examination of current information collected on foreign investment. This information is primarily collected by the Commerce and Treasury Departments, as well as other federal agencies. The Committee will examine current data collected on foreign investment, whether it could be improved and whether the data collection could be better coordinated. In addition, the Committee will examine

state and federal initiatives on direct investment, its impact on U.S. business, U.S. workers, and local communities and the states.

The Committee also intends to hold an oversight hearing on Executive branch implementation of the "Exon" amendment enacted as part of omnibus trade legislation. This provision gives the President the authority to stop foreign acquisitions of U.S. companies which threaten national security. The Committee notes that the President has given authority under this provision to the Committee on Foreign Investment in the United States (CFIUS). Implementation of this provision is an issue of great interest of the Committee.

## GLOBAL CLIMATE CHANGE

The summer 1988 drought dramatized the great effects that climate change and other changes in the global ecology can have on the environment, human health, agriculture and the economy. The drought also showed that scientists still lack a complete understanding of the precise causes and results of these changes. For example, scientists appear uncertain whether the 1988 drought resulted from general global warming or from unrelated short-term climate changes. Scientists agree that the atmosphere will become warmer in coming decades, but do not yet know exactly when or with what precise consequences.

Continued scientific research is providing new insights into global environmental processes. Recent studies indicate that the interrelationships among the atmosphere, oceans, land and the biosphere are more dynamic and complex than could have been imagined a short time ago. In addition, human activities appear to influence processes of global change and may significantly affect our habitat in the foreseeable future. Among the present concerns are depletion of the atmosphere's protective ozone layer and the threat of substantial global warming as a result of the accumulation of "greenhouse" gases in the atmosphere.

U.S. and international scientists have realized increasingly that to understand the earth system, it must be studied as an integrated whole. Through this approach, researchers hope to develop the capability to predict and assess global changes which occur both naturally and in response to human activities. Such a capability would provide a sound basis for the development of policies to minimize long-term global environmental changes. In 1987, FCCSET established a Committee on Earth Sciences to initiate a comprehensive national research program on global change. This program will provide the U.S. contribution to the International Geosphere-Biosphere Program proposed by the International Council of Scientific Unions.

The Committee has been involved with these issues for many years. The Committee oversees three major Federal research agencies involved in these matters—the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), and, with the Labor Committee, the National Science Foundation (NSF). The Committee also oversees OSTP and FCCSET, the principal mechanisms for coordinating interagency research programs in this and other fields. Finally, the Committee

authored the principal existing statute in this area, the National Climate Program Act of 1978 (Public Law 95-367).

In the 100th Congress, the Committee conducted oversight hearings, through the National Ocean Policy Study (NOPS) and the Science, Technology, and Space Subcommittee, to evaluate the current state of scientific understanding and to consider priorities for global climate change research. During the second session, the Committee favorably reported S. 2614, legislation to improve coordination of national scientific research efforts and to provide for a 10-year comprehensive global change research plan. The 100th Congress did not complete action on S. 2614.

In the 101st Congress, the Committee will continue to pursue legislation to coordinate and plan the nation's global research effort. The Committee believes that a more determined and more focused research effort is essential to form the scientific knowledge base necessary to determine the policy responses to the issue. In addition, the Committee in conjunction with the NOPS and the Science, Technology, and Space Subcommittee will examine the scientific assessment of the greenhouse effect, ozone depletion, and tropical deforestation, and programmatic issues including the scientific platforms and instrumentation needed to collect data process and interpret these findings.

## Drug and Alcohol Testing of Transportation Workers

Early in the 100th Congress, hearings were held by the Committee on legislation mandating testing for the unlawful use of alcohol and illegal drugs by employees in positions within the aviation, motor carrier, and railroad industries. The resulting Transportation Employee Safety and Rehabilitation Act (S. 1401), which was reported by the Committee in March, 1987, directed the Secretary of Transportation to mandate five forms of drug and alcohol testing for such transportation workers, including pre-employment, post-accident, periodic recurring, reasonable suspicion and random testing. The Committee bill also contained safeguards to ensure accuracy in testing and to protect the privacy of employees.

These provisions were approved by the full Senate on two occasions thereafter during the 100th Congress. In October, 1987, the Senate overwhelmingly approved these drug and alcohol testing requirements as an amendment to the Airline Passenger Protection Act (H.R. 3051). Then, as the 100th Congress headed toward adjournment in late 1988, and the conference committee on H.R. 3051 remained unresolved, these same drug and alcohol testing provisions were included in the Senate version of H.R. 5210, the omnibus anti-drug bill. Ultimately, however, they were deleted from the final legislation sent to the President. Disagreements between the House and the Senate as to the conditions for any testing program and whether rehabilitation should be required for employees testing positive for drug or alcohol use precluded an agreement on the enactment of these provisions into law.

Following Congressional consideration of the testing issue, the Department of Transportation (DOT), in November of 1988, issued

rules requiring drug testing of safety-sensitive transportation workers. These regulations, which are applicable to all transportation modes, have been the source of controversy and litigation challenging the Department's authority in this area. The Committee can be expected to review the DOT testing rules, comparing them with the testing legislation that was approved by the Committee and the full Senate during the 100th Congress. The exclusion of alcohol testing from the DOT requirements is one of a number of areas in which the rules will be carefully examined, although their general objective is similar to that of the Senate legislation.

The Committee will take an active interest in the issue of drug and alcohol testing during the 101st Congress. Hearings held during the 99th and the 100th Congresses clearly highlighted the threat that substance abuse poses for the safety of transportation workers and the travelling public. Ensuring the safety of these individuals is of paramount concern and will continue to be a Committee goal through oversight and while considering any related legislation.

## LIABILITY INSURANCE

The Committee intends to continue to review issues relating to the availability and cost of liability insurance for all lines of property-casualty coverage. The Committee has had a long history of involvement with insurance matters. The Committee held a hearing in the 100th Congress regarding general product liability issues, and this year will continue to monitor this issue. The role of the Federal Government will be considered, including the function of collecting insurance data to assess better the cyclical nature of the insurance market.

In addition, the Committee will continue to examine insurance matters, particularly in light of the recent adoption of Proposition 103 in California. Insurance company insolvencies may also be a subject for consideration in the 101st Congress.

## MINORITY BUSINESS DEVELOPMENT

Since its inception by an Executive Order in 1969, the Minority Business Development Agency (MBDA) has operated in DOC with the charge of developing and coordinating a national program for minority business enterprise. The MBDA provides constituent services to minority businesses, particularly through its nationwide network of Minority Business Development Centers, which are designed to provide management and technical assistance to minority business enterprises.

During the second session of the 100th Congress, the Committee held a hearing on legislation to provide statutory authority for MBDA to be made a permanent agency under the jurisdiction of DOC. This legislation arose in part out of efforts by the previous Administration to transfer MBDA to the Small Business Administration. A companion bill was passed by the House of Representatives and sent to the Senate. However prior to that time, several members of the Committee requested or endorsed a General Accounting Office (GAO) review of

MBDA's programs and services. Committee Members believed that a review of GAO's findings was necessary before considering any MBDA legislation.

The Committee intends to carefully scrutinize the GAO study, the first phase of which is expected to be completed this year, and review any legislation that may be introduced related to MBDA with the benefit of GAO's recommendations.

## NOMINATIONS

The Committee has jurisdiction over a number of nominations to positions in executive branch agencies, in particular the Departments of Commerce and Transportation. These positions include Secretaries, Under Secretaries and Assistant Secretaries, General Counsels, and Inspectors General. The Committee expects to consider nominations to these various positions throughout the 101st Congress.

# AVIATION

## INTRODUCTION

The Committee exercises authorization jurisdiction and oversight responsibility over those Federal entities responsible for U.S. domestic and international aviation policy, principally DOT and the Federal Aviation Administration (FAA), which is a part of DOT. The Committee is also responsible for authorizing funds for the National Transportation Safety Board (NTSB).

The top priority for the Committee during the 101st Congress will be to assure the safe operation of our air transportation system. Record numbers of people are flying—455 million traveled aboard U.S. air carriers in 1988. Yet, concerns remain about aging aircraft and inadequate maintenance, airport security, insufficient numbers of trained air traffic controllers and safety inspectors, antiquated air traffic computers and radars, and airport capacity. With these and other issues in mind, the Committee intends to ensure that our airways remain safe, and that the necessary action be taken to provide every safeguard possible to the flying public.

## AUTHORIZATIONS

### FEDERAL AVIATION ADMINISTRATION

The Airport and Airway Trust Fund was created to provide a dedicated source of funding for critical FAA programs related to airport development and air traffic control modernization. The Airport Improvement Program provides grants to States and localities for the purchase of land, airport construction, the installation of navigational aids, and the acquisition of safety and security devices. Also funded by the Trust Fund is the National Airspace System Plan (NAS Plan), as well as other facilities and equipment used in the air traffic control system. The Trust Fund also funds the research and development efforts that support these programs, as well as a portion of the operating and maintenance expenses incurred by the FAA.

In 1987, Congress enacted legislation extending and significantly increasing the funding authority for these Trust Fund programs. The Airport and Airway Safety and Capacity Expansion Act of 1987 (Public Law 100-223) provided contract authority for the Airport Improvement Program through fiscal year (FY) 1992, while the authorization of appropriations for FAA Facilities and Equipment, research and development activities, and the Trust Fund share of FAA operations will expire on September 30, 1990. The Committee will devote a substantial amount of time in the 101st Congress overseeing FAA implementation of these programs, and in the Second Session developing legislation authorizing their continued funding.

Several issues will be addressed by the Committee as a part of this reauthorization. A major topic will be assessment of the FAA's progress in implementing the NAS Plan. The $16 billion NAS Plan is designed to modernize, automate, and consolidate FAA facilities and equipment used in the air traffic control system by the year 2000. It contains 92 separate projects including radar, computers, navigational aids, and communications networks. FAA has estimated that the NAS Plan will result in public benefits exceeding $66 billion from increased FAA and user efficiencies, as well as safety enhancements. However, recent reports by GAO have questioned the FAA's projected implementation costs for the NAS Plan, as well as the FAA's projected benefits. The Committee views modernization of the air traffic control system as one of the critical elements of the on-going effort to improve the safety and increase the capacity of our air transportation system, and the Committee intends to carefully examine FAA management of this effort.

In the last days of the 100th Congress, the Aviation Safety Research Act of 1988 (Public Law 100-591) was enacted, defining future research and development priorities for the FAA. This legislation specifically directed the FAA to undertake increased research work in the areas of human factors, aviation maintenance, fire safety, crashworthy fuel tanks and fuel lines, and air traffic controller performance. Another objective of this legislation was to increase the FAA's attention to long-term research activities by requiring that not less than 15 percent of its R&D funds be dedicated to such projects. The bill also directed the FAA to develop a national aviation research plan outlining future R&D activities. The Committee believes that successful implementation of the Aviation Safety Research Act will result in significant improvements in aviation safety. Accordingly, the Committee intends to monitor FAA efforts to fulfill the mandate of this legislation as the Committee considers extension of the authorization for funding of the FAA's R&D programs beyond FY 1990.

One of the Committee's foremost concerns in the 101st Congress will be assuring adequate and reliable funding for the FAA and the programs it administers. Recognizing the continued growth of the Airport and Airway Trust Fund surplus and the critical need to dedicate these funds toward improving aviation safety and operational efficiency, the Congress significantly increased authorization levels in 1987 for the Airport Improvement Program, the NAS Plan, FAA Research and Development, and the Trust Fund share of FAA Operations. While appropriation levels for these programs have increased in recent years, a substantial shortfall of appropriated funds below authorized levels has occurred. Unless supplemental appropriations of nearly $400 million for FY 1989 are provided, current law calls for the taxes imposed on aviation users, including the 8 percent passenger ticket tax, to be reduced by 50 percent on January 1, 1990. The Committee intends to examine this issue during the coming year, and particularly to focus on how the balance of the Trust Fund can be better utilized, as well as on how the expected $1.2 billion reduction in revenues would affect aviation safety.

## NATIONAL TRANSPORTATION SAFETY BOARD

The NTSB was made an independent Federal agency by statute in 1974. Its primary responsibilities are to determine the probable cause of transportation accidents and to formulate safety recommendations to improve transportation safety.

Late in the 100th Congress, legislation was enacted authorizing funds for the NTSB for FY 1988 through 1990 (Public Law 100-372). Because of its critical importance to transportation safety, the Committee expects to devote considerable energy to reviewing NTSB activities as part of its reauthorization during the Second Session, working to ensure adequate funding and staffing for the agency.

## OVERSIGHT AND OTHER ISSUES

### AIRPORT SECURITY

On December 21, 1988, a Boeing-747 aircraft was destroyed over Scotland by what investigators have determined was a bomb. The deaths of all 259 people on board, along with eleven others on the ground, have prompted efforts to preclude a recurrence of this tragic event. In response to this incident, the FAA has promulgated regulations requiring stricter inspections of checked and carry-on baggage on U.S. air carrier flights to and from Europe and the Middle East. Additionally, DOT recently issued regulations designed to limit access to secured portions of domestic airports.

The Committee plans vigorous oversight of all air security issues, including implementation of these security regulations. Of particular concern is the extent of protection being afforded U.S. air travelers on flights to Europe and the Middle East. Additionally, the Committee intends to monitor progress in the development of explosive detection technology, and the installation of the prototype Thermal Nuclear Analysis explosive detection devices scheduled to begin in June 1989.

### AGING AIRCRAFT

The April 1988 incident in which a section of the fuselage of a 19-year-old Boeing 737 ripped off in flight focused government and industry attention on the question of aging aircraft and the need for proper maintenance. Over 26 percent of all commercial aircraft operated in the U.S. are currently 20 years or older, and thus require additional inspection and maintenance. Concern over aging aircraft continues to escalate as low fuel prices provide incentives for the airlines to continue to operate older, less fuel efficient aircraft. Specifically, in December, 1988, a Boeing-727 aircraft lost a portion of its skin in flight, and fuselage cracks have been found in several other aircraft. The Committee intends to conduct oversight hearings to ensure that the FAA and airline industry undertake the necessary steps to ensure the safe operation and maintenance of older aircraft. In particular, the Committee expects to examine the FAA's response to our aging airline fleet, such as the recently announced mandate that rivets on older 727s and 737s are to be replaced.

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## COLLISION AVOIDANCE SYSTEMS

In the Airport and Airway Safety and Capacity Expansion Act of 1987, Congress mandated the development and implementation of airborne collision avoidance systems for both commercial and general aviation aircraft. Specifically, the FAA was required to certify the TCAS-II system for use on commercial aircraft by June 1989, with industry-wide installation to be completed by December 1991. Installation of Mode C transponders was mandated by December 1990, for all private aircraft operated in airspace where the FAA provides radar service for separation of aircraft. Regulations have been issued by FAA implementing these requirements, and during the 101st Congress the Committee will be examining carefully their effectiveness in minimizing the potential for mid-air collisions.

In response to concerns that certification of the TCAS-II collision avoidance system may be delayed, the Office of Technology Assessment (OTA) has been requested to review technical and operational factors associated with the current schedule and to report back to the Committee. The Committee expects to review carefully the results of OTA's report, which is expected in early February of 1989.

## PILOT TRAINING

The United States is faced with a serious shortage of qualified and experienced commercial pilots. The aging of the current corps of pilots, expansion of the civil aviation industry, and the shrinking number of pilots trained by the military, have led many major U.S. airlines to consider hiring pilots with far less experience in jet aircraft than in previous years. The primary training ground for major U.S. carriers has become the regional airline industry, where pilot turnover at some carriers commonly exceeds 50 percent a year. Aviation professionals estimate that by 1992 there will be a shortage of some 4,000 commercial pilots.

The Committee intends to explore ways to resolve the scarcity of qualified pilots. Suggested remedies include reinstatement of benefits for veterans participating in flight training, FAA accreditation of pilot programs at four-year colleges, and the use of the Airport and Airway Trust Fund to develop a pilot training program.

## WHISTLEBLOWER PROTECTION

Hearings before the Committee during the 100th Congress on airline deregulation and safety identified the concerns of numerous airline employees regarding pressure to meet airline schedules and the safe operation of commercial aircraft. Legislation passed the House of Representatives in 1988 designed to prohibit retaliation against any airline employee who reports to the FAA that a safety threat or violation of criminal law exists, or against any employee who refuses to permit immediate operation of an aircraft if they have a reasonable basis for believing that serious injury might result. No action was taken on this legislation (H.R. 5073) in the Senate during the 100th Congress. In the

coming year this issue will be carefully reviewed by the Committee as it considers the need for airline whistleblower protection legislation.

### INDEPENDENT FAA

After a series of four hearings held during the 100th Congress, at which numerous segments of the aviation industry testified, the Committee reported legislation (S. 1600) to establish the FAA as an independent agency, providing the Administrator with a fixed seven-year term. S. 1600, which had 57 cosponsors, also provided the FAA Administrator with increased flexibility to acquire equipment critical to the safe operation of the air traffic control system and to compensate essential FAA personnel at facilities located in high-cost or remote locations. A new bill similar to S. 1600 will be introduced early in the 101st Congress. The Committee intends to continue to examine the need for making the FAA an independent agency, as well as to pursue reforms for FAA personnel, procurement, and budgetary procedures.

### AIRLINE DEREGULATION AND CONCENTRATION

The airline industry has undergone significant changes since its deregulation in 1978. Many benefits have accrued to certain segments of the travelling public in the way of increased flights and reduced prices. However, there is a growing concern that the increased concentration of the industry is damaging the advantages of deregulated competition.

Between 1978 and 1988, 215 new airlines were organized. However, today only 59 are in existence. As a result of numerous mergers, eight major carriers now control 94 percent of the U.S. market. Localized concentration is found in hub airports. For instance, TWA has 82 percent of the passenger traffic in St. Louis; in Pittsburg, USAir has 83 percent; and in Minneapolis, Northwest controls 80 percent of the traffic.

A GAO report on competition between TWA and other air carriers serving St. Louis provided the Committee with data on fare charges following the merger of TWA and Ozark Airlines. In September, 1988, the Committee held a hearing to examine the extent of airline competition at hub airports. The Committee looks forward to GAO's further study of fare and service levels at 14 large and small hubs, which is due this spring.

GAO is also investigating the effect of deregulation on service and fare levels at small and medium-sized cities. The Committee expects to examine this issue during the 101st Congress to determine the extent of the problems and possible remedies available to enhance competition in a deregulated market.

### HANDICAPPED AIR PASSENGERS

The Air Carrier Access Act of 1986 (Public Law 99-435) prohibits discrimination by U.S. airlines against handicapped air passengers. DOT has yet to issue final regulations to implement this legislation. During the 101st Congress, the Committee intends to continue its oversight of

DOT's progress and to examine particularly DOT's final rules in order to ensure that no handicapped passenger is treated unfairly or discriminated against.

Last session, in response to a number of incidents involving the removal of blind air passengers from several U.S. air carriers, legislation (S. 2098) was introduced to prohibit discrimination against any airline passenger on the basis of visual acuity. The Committee intends to ensure that Federal regulations continue to protect the rights of handicapped air travelers.

## ESSENTIAL AIR SERVICE

In the Airport and Airway Safety and Capacity Expansion Act of 1987, Congress extended the Essential Air Service (EAS) program for a second 10 year period, through FY 1998. In addition to extending and enhancing basic service for the approximately 150 communities receiving subsidized air service, the EAS program was expanded to allow States and localities to initiate new and enhanced air service on a cost-sharing basis with the Federal government.

At the Administration's request, language was included in the FY 1989 Transportation Appropriations bill (Public Law 100-457) to ensure that the Federal government would not be liable for EAS program costs in excess of the amounts made available through annual appropriations. This language, combined with an unanticipated shortfall of $6.6 million needed to support the basic EAS program in fiscal year 1989, has caused DOT to propose significant EAS program reductions. The Committee intends to monitor carefully DOT's progress on this proposed rulemaking to ensure that the EAS program, which is so critical to providing access to the air transportation system for many in rural and isolated communities, can continue to operate effectively.

## AIRPORT ACCESS AND CAPACITY

While air travel continues to increase, so do concerns about airport noise. More than 300 airports in the U.S., including 90 percent of hub airports, currently impose some form of noise restriction. There is no national noise policy, and concerns in the airline industry continue to mount about the effect these restrictions have on interstate commerce. During the 101st Congress, the Committee intends to conduct oversight hearings on airport noise issues. These hearings will explore the variety of local policies currently in use, and will include an examination of alternative solutions currently under consideration.

The record growth in air travel has severely strained the capacity of our airports and air traffic control system. Nowhere was this made more evident than at Chicago O'Hare International Airport, where in October, 1988, in response to a growing number of air traffic controller errors, FAA restricted commercial operations during peak periods. In response to these restrictions and the need for immediate improvements in staffing and facilities at O'Hare Airport, the Senate passed a resolution (S. Res. 497) directing FAA to develop an action plan outlining

both immediate and long-term actions the FAA plans to take. Subsequent updates and revisions of the O'Hare action plan have been submitted to the Committee, which intends to continue its careful review of FAA progress at this and other air traffic control facilities throughout the country.

During the 100th Congress, testimony before the Committee highlighted staffing difficulties at air traffic facilities in high-cost locations. Partially in response to these hearings, the Office of Personnel Management in late October 1988, proposed a pay demonstration program for air traffic controllers at 10 facilities in the Chicago, New York, and Los Angeles areas. Scheduled to go into effect in April, 1989, this demonstration program will provide a 20 percent pay differential for nearly 2,000 air traffic personnel at these high-cost, high-traffic facilities. The Committee supports efforts to provide needed flexibility to ensure that the FAA can attract and retain qualified and experienced personnel at the appropriate facilities, and intends to monitor implementation of this demonstration program with an eye on the need for possible expansion.

Several proposals to allocate scarce airport capacity have been made, including that of the Massachusetts Port Authority (Massport) to restructure aircraft landing fees at Boston's Logan Airport, thereby encouraging the use of larger, more efficient aircraft. A 1988 DOT ruling that the Massport plan violated Federal law continues to be debated in court, and the Committee intends to monitor the outcome of this judicial action.

The Committee is committed to ensuring the development of adequate capacity not only for the air traffic control system, but also for our system of airports. Proposals under development to provide increased airport capacity will be reviewed by the Committee during the coming year. Of particular interest is the industry proposal to develop a revolving loan fund using surplus funds in the Airport and Airway Trust Fund for funding increased airport capacity.

## INTERNATIONAL ISSUES

Over the last several years, U.S. airlines have developed new relationships with their foreign counterparts. Foreign airlines have sought to become equity participants in U.S. airlines, and partnerships have been formed combining U.S. and foreign computer reservation systems owners. In addition, U.S. airlines have entered into code-sharing relationships with foreign airlines. The Committee intends to monitor these developments to ensure that the net result of these arrangements does not have a detrimental impact on U.S. travelers and U.S. industry.

## GENERAL AVIATION LIABILITY

Last year, the Committee reported legislation (S. 473) to establish uniform Federal standards for liability resulting from accidents involving general aviation aircraft. General aviation manufacturers testified at Committee hearings that increased liability costs have limited the sale of

new aircraft and thus threatened the future of the domestic general aviation manufacturing capability. Trial lawyer and consumer groups oppose the bill as an unreasonable limitation on the manufacturers' liability at the expense of injured parties. The Committee intends to continue its consideration of this legislation and these conflicting views during the 101st Congress.

## NOMINATIONS

The Committee has jurisdiction over the nominations of the new FAA Administrator and Deputy Administrator, both of which are positions subject to Senate confirmation.

The Committee also has jurisdiction over the President's nomination for NTSB Chairman and NTSB Members. The term of James Burnett expired in August 1988. Since that time, Vice Chairman James Kolstad has served as Acting Chairman. Additionally, the term of NTSB Member Lemoine Dickinson, Jr. expired on December 31, 1988.

# COMMUNICATIONS

## INTRODUCTION

The Committee has plenary authority over communications policy. The Committee's legislative jurisdiction covers all areas and aspects of communications, including broadcasting, cable television, telephone services—domestic and international—and the use of the electromagnetic spectrum for communications purposes. The Committee actively supervises the key agencies responsible for implementing communications legislation, the Federal Communications Commission (FCC) and the National Telecommunications and Information Administration (NTIA). The Committee holds oversight hearings, considers nominations to these agencies' highest positions, and scrutinizes their budgets. The Committee also has oversight authority over the Corporation for Public Broadcasting (CPB) and the Communications Satellite Corporation (Comsat). By virtue of this extensive authority, the Committee has delved into such areas as international telecommunications regulation, national security and emergency preparedness communications needs and trade in communications equipment and services.

The telecommunications industry is among our country's most dynamic. The combination of new technologies and aggressive entrepreneurs has moved this industry from one where a few controlled a stagnant market to one where competitors are burgeoning and ingenuity is flourishing. In such an environment, policies meant for more staid times not only serve little use but might even be harmful. For at least the past decade, this Committee has worked to ensure that communications policy reflects this changing environment. The Committee, in general, intends to continue this effort and to pursue policies that look toward eliminating unjustified barriers to competition. At the same time, the Committee recognizes that its overall objective is to serve the public interest and that competition, as a means to achieving that end, may not be suitable or practicable in all circumstances. The Committee will thus continue its active role in setting communications policy to reflect this balance and to enhance the position of the communications consumer.

## AUTHORIZATIONS

### FEDERAL COMMUNICATIONS COMMISSION

Beginning in 1981, the Committee increased its oversight of the FCC by instituting a biennial authorization process. Prior to this time, the FCC had a continuing authorization. The Committee believed that this change was necessary to supervise more closely the numerous, far-reaching decisions of the FCC.

In the 101st Congress, the Committee needs to reauthorize funding for the FCC for FY 1990 and 1991. In considering this legislation, the Committee will explore the FCC's compliance with measures contained in the previous authorization bill, such as the provisions establishing deadlines for certain tariff investigations and the Older Americans Program. Among the other issues the Committee is likely to consider in hearings on that bill are the FCC's policies on minority ownership of communications licenses, its political broadcasting and lowest unit charge requirement, its policies concerning AT&T's customized tariff offerings, recent and proposed changes in access charges, its recent decision on Open Network Architecture (ONA), its efforts to consider standards for High Definition Television (HDTV), its processing and investigation of cellular lottery applications, and the swapping of public television stations.

### NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

The NTIA is the principal Executive Branch body responsible for telecommunications policy and is the main advisor on such policy to the President. NTIA also has a biennial authorization, and the 101st Congress will consider legislation to reauthorize funding for NTIA for FY 1990 and 1991. At the hearings on this legislation, the Committee will explore NTIA's progress in re-establishing the PEACESAT program and in recruiting and hiring minority members and women to its staff. Among the other issues likely to be addressed at that hearing are NTIA's status within DOC, the proposals set forth in recent reports and studies issued by NTIA, the success of its efforts to promote U.S. telecommunications trade opportunities, and its views on the U.S. participation in various International Telecommunications Union (ITU) conferences.

## OVERSIGHT AND OTHER ISSUES

### MASS MEDIA

*Fairness Doctrine*

Last session, both the Senate and the House passed legislation, S. 742, the Fairness in Broadcasting Act of 1987, making the Fairness Doctrine an explicit statutory obligation. The Fairness Doctrine requires broadcasters to cover controversial issues of public importance and present opposing viewpoints. The President vetoed the bill, and it was referred back to the Committee. The FCC then repealed the Fairness Doctrine policy and laid the groundwork to eliminate several related policies. The Committee will consider Fairness Doctrine legislation early in this Congress.

*Children's Television*

The Committee, as part of its consideration last Congress of S. 1277, the Broadcasting Improvements Act of 1987, considered a provision requiring the FCC to ascertain whether a television broadcaster's non-entertainment programming and programming directed towards children

were meritorious and responded to the interests and concerns of the local community before renewing its license. Communications Subcommittee hearings on S. 1277 were held on July 17th and 20th, 1987. Several of the witnesses who testified at this hearing expressed strong support for the reimposition of regulations to ensure that the programming of television licensees is responsive to the needs of children and for limiting the amount of time that can be devoted to commercials during children's programming. These Committee efforts were then channeled into H.R. 3966, the Children's Television Act of 1988.

The Congress passed H.R. 3966 in the last weeks of the 100th Congress. The President, however, refused to sign this bill after the Congress had adjourned sine die. The legislation required that television licensees air no more than 10.5 minutes of commercials during children's programs broadcast on the weekends and 12 minutes during the weekdays. In addition, prior to renewing the license of a television station, the FCC was required to ascertain whether the licensee complied with the new commercial limitations and whether it provided programming serving the educational and information needs of children. The Committee will hold hearings on children's television in this Congress and consider how television broadcasters are meeting the educational and informational needs of children. The Committee will also consider how television can help reduce illiteracy in the U.S.

*Must-Carry*

The Committee has demonstrated support for the reinstitution of rules requiring cable television systems to carry a reasonable number of local television signals, particularly the signals of public broadcasters and independent operators. After the D.C. Circuit ruling in the Quincy decision, the FCC, in 1987, revised the rules to reduce the number of stations that cable systems had to carry and included a 5-year sunset. The new rules were struck down by the D.C. Circuit in Century. The Committee intends to consider whether to reinstitute must-carry rules and how such rules might be fashioned so as to withstand court review. In light of the two adverse court decisions, such consideration must necessarily be deliberate and careful.

*Comparative Renewal and the Public Trust*

Recognizing that competition in the broadcast industry has increased, the FCC, over the past decade, has adopted a series of deregulatory measures. These range from the removal of certain broadcast requirements in the radio and television deregulation proceedings to the lifting of trafficking requirements to the loosening of ownership restrictions. This Committee has supported many of these measures, and, in fact, passed legislation to codify, and even extend, them.

However, to some members of the Committee the effects of some of these deregulatory measures are troubling. The financial structure of broadcast owners—even without a change in ownership—is changing dramatically, usually with the addition of significant new debt. This may result in the loss of important, but less profitable, programming,

such as news or children's. In fact, the amount of news and information programming on radio has already decreased, and there appears to be a similar trend developing on television. While most broadcast licensees continue to take their public trustee responsibilities seriously, there are some who consider the license to be just another commodity to be traded for quick profit. The Committee continues to believe that the public trustee responsibilities of broadcast licensees are important.

The Committee began its examination of these responsibilities last Congress with the hearings on S. 1277, the Broadcasting Improvements Act of 1977. That legislation contains provisions addressing a number of issues including the elimination of the comparative renewal process. The goal of the bill was to alleviate certain regulatory burdens on broadcasters, while strengthening the public trust requirements. The Committee intends to explore these issues again this Congress.

*Campaign Advertising on Broadcast Stations and Cable Systems*

During the 99th Congress, the Committee held two hearings on S. 1310, the Clean Campaign Act. This legislation had two major provisions. First, it provided that if a candidate did not appear in person when mentioning an opponent in a broadcast advertisement the opponent would have free broadcast time to respond. Second, it provided a candidate with free time to respond to broadcast advertisements by non-candidates that mentioned the candidate. The objectives of this legislation were to increase accountability by candidates for office and to provide greater balance in the presentation of differing viewpoints.

The Committee continues to have a concern about campaign advertising on broadcast stations and cable systems, especially after the recent campaign. This concern is shared by many others in the Senate and House as demonstrated by the many bills that have been introduced dealing with the finances and operations of electoral campaigns. The Committee will consider these concerns during this Congress.

In addition to concerns about the type of campaign advertising, the Committee is concerned with the cost of political advertising and with ensuring that opposing candidates are treated on a fair and equal basis when they attempt to purchase advertising time. At the end of last session, the Communications Subcommittee held a hearing on S. 2657, a bill to amend the lowest unit charge provision of the Communications Act. The purpose of the hearing was to gather information about the enforcement of the lowest unit charge provision, and whether the requirement should be amended.

The lowest unit charge provision requires that, during campaign periods, broadcast stations and cable operators must charge candidates the "lowest unit charge of the station for the same class and amount of time for the same period." S. 2657 would have required broadcasters and cable operators to sell time for campaign ads at the lowest rate, regardless of class, and barred them from preempting campaign ads.

Considerable testimony was presented at the hearing that the application and enforcement of the lowest unit charge provision are difficult. Witnesses testified that it is very hard for a candidate to determine if he is being treated fairly. At the hearing, several Members expressed inter-

est in reporting out S. 2657. Because it was at the end of the session, however, the Committee was unable to act on the legislation. The Committee intends to revisit the issue of lowest unit charges in this Congress.

*Media Diversity and Concentration*

Over the past 5 years, there has been a continuing debate about the need to restrict the ownership of media properties. Believing an unregulated market will best serve consumer interests, the FCC has consistently tried to relax these limits, and, in many cases, has succeeded. The Congress, by and large, has sought to retain these requirements to increase the public's opportunities to hear a diversity of viewpoints and to further economic competition. S. 1277, the Broadcasting Improvements Act of 1987, proposed to codify the FCC's current rules restricting multiple ownership of broadcast and other media outlets.

The goal of Communications policy is to ensure the public interest is served. Less government regulation alone may not serve this objective unless a competitive market structure exists. This becomes even more important in the communications area with its first amendment implications.

Because of the fundamental importance of media diversity, the Committee intends a major exploration of these issues this year. Specifically, the Committee will look at the FCC's cross-ownership, cross-interest and attribution rules in view of the changes in the marketplace and the FCC's deregulatory actions. The concentration of ownership issue is not limited to conventional broadcast services. The Committee will explore the impact of concentration for other media distributors, such as cable television. In addition, the Committee will consider the current programming market and existing rules regulating programming. Specifically, the Committee will examine the impact of the network financial interest and syndication rules, which restrict the television networks' ability to retain financial interests in programming once it goes into syndication. The Committee will also examine the effect of vertical integration of cable programmers and cable operators on consumers. Finally, the Committee's inquiry will touch upon the issue of foreign ownership of media properties.

*Minority Ownership*

On December 30, 1986, the FCC issued a Notice of Inquiry to reexamine the constitutionality of its policies designed to achieve diversity in broadcast programming by fostering an increase in the number of broadcast facilities owned by minority group members and women. The FCC stated that while program diversity may be a compelling governmental interest within the Commission's authority, constitutional precedent does not allow racial or gender classifications to be based on the mere assumption that minority/female ownership will result in increased content diversity.

The policies in question include: the application of racial, ethnic, and gender preferences in comparative licensing proceedings for broadcast stations; the administration of the FCC's distress sale policy; and the is-

suance of tax certificates for sales of broadcast properties to minorities. The minority preference policy used in comparative hearings was adopted in the 1970's in an effort to increase the number of stations owned by minorities. In 1974, the U.S. Court of Appeals for the District of Columbia held that where minority ownership "is likely to increase diversity of content, especially opinion and viewpoint, merit should be awarded." The court concluded that it should be "assumed that minority ownership would foster program diversity where there is integration of ownership and management." (In 1978, this policy was extended to include women.)

The FCC also adopted the minority distress sale policy, which permits broadcast licensees whose licenses have been designated for revocation or renewal hearings to sell their stations to a minority-owned or controlled entity at a price "substantially" below the fair market value. To encourage the sale of stations whose licensees have not been challenged, the FCC also adopted a tax certificate policy in 1978. Under this policy the FCC uses its authority under 28 U.S.C. Sections 1071 and 1033 to grant tax certificates to licensees who voluntarily sell broadcast stations to minority-owned or minority-controlled entities. In 1981, Congress codified the minority preference policy in lottery proceedings for mass media properties.

In response to the FCC effort to eliminate these policies, the Committee considered a provision as part of S. 1277, the Broadcasting Improvements Act of 1987, which would have codified these policies. In appropriations legislation (H.R. 4782), Congress prohibited the FCC during FY 1989 from eliminating the minority and female preference policies, distress sale and tax certificate policies. The Committee will again consider codification of those policies.

*Public Television Swaps*

Several years ago, the FCC proposed to permit public television stations operating on VHF channels to exchange those channels with commercial broadcasters operating on UHF channels. Due to concern that this policy would make public broadcasting stations less accessible to the public, the Congress passed a provision in appropriations legislation prohibiting the FCC from approving such channel "swaps" during FY 1989. (A similar provision was included in appropriations legislation for several previous years and was signed into law.) This session the Committee will consider whether to make the prohibition permanent.

*Public Broadcasting*

Last session, Congress passed H.R. 4118, the Public Telecommunications Act of 1988, authorizing funding for the CPB for FY 1990-1993. That bill expands the description of how the money in the CPB program fund is to be distributed to require the CPB to devote a substantial percentage of the funds to programs addressing children's educational needs and the needs of minorities. In addition, the Declaration of Policy provision was revised to establish that programming addressing unserved and underserved audiences, including children and minorities, is one of the Act's priorities. H.R. 4118 also

caps the CPB's administrative expenses at $10.2 million for FY 1989 and limits future increases. This cap reflects concern that the CPB needs to reduce its overhead and ensure that as much money as possible is devoted to the actual production of national programming.

Consistent with the goal of directing the maximum amount of funds to national programming, H.R. 4118 requires that all of the interest income received by the CPB be devoted to national programming. The new law also codifies the CPB's practice of giving public radio stations funds that can only be used for national programming, in addition to the community service grants. The new law directs the CPB and the public television community to jointly develop a plan to revise the system used to distribute the CPB funds for national television programming. The plan must be submitted to Congress for approval before implementation.

The Committee plans to request that GAO conduct an audit of the CPB, which should be completed in the summer of 1989. The Committee will carefully review this report.

Finally, the Public Telecommunications Act of 1988 requires the CPB to report to Congress on a number of issues, including programming designed to serve the needs of children and minorities, employment practices, and the establishment of the Independent Production Service. The Committee will review the progress made in each of these areas.

*Cable Telecommunications Act*

The Cable Telecommunications Act has now been in effect for 4 years. During that time, the cable industry has expanded the capacity of existing systems and has brought service to many new areas. Subscribership has increased, such that, today, over 50 percent of the American homes subscribe to basic cable service. As a result, the industry's financial posture has improved greatly.

Despite these benefits, there are many concerns. The Committee has heard allegations that basic cable rates have increased unreasonably and that service quality has not improved. There have also been complaints that programmers affiliated with cable operators will not sell to other program distributors (such as satellite operators and MMDS systems) and that programmers not affiliated with cable operators cannot get cable systems to air their programs. The issue of telephone company entry into the provision of video programming services has also been raised. The Committee will hold oversight hearings later this year to explore the impact of some of the changes in the industry, including the deregulation of rates, the use of public access and leased access channels, franchise fees, and the franchise process.

*High Definition Television*

It is clear that HDTV is a great opportunity for the public and for mass media, at the same time that it causes significant problems, including the possibility that the HDTV will require reallocation of the spectrum to accommodate the technology. The FCC established an advisory panel, composed of FCC staff and industry representatives, to conduct a comprehensive study on HDTV and its future. On September

1, 1988, the FCC continued its effort by releasing a series of proposals in rules for this new delivery system. The Committee will follow the developments in this area closely.

## COMMON CARRIER

The policies concerning the domestic telephone industry have changed greatly over the past 15 years. The main objective of policymakers has been to move an industry dominated by a monopoly to one driven by competition, while retaining and furthering universal telephone service. There is little doubt that policy has come a long way since new entry was first permitted, but there is still much work to accomplish to remove unwarranted barriers to competition, to establish a competitive market structure, and to fine-tune existing regulation. Significant market power continues to exist in many sectors, competitors still face impediments, and universal service is still a concern.

The Committee has been very active in shaping this new common carrier policy. In the late 1970's, many bills were introduced to revamp the Communications Act, and extensive hearings were held. In 1981, the Committee was successful in having legislation passed by the Senate, and in 1984, legislation was reported by Committee only to be tabled by the full Senate. Since then, the Committee has vigorously overseen this area with hearings and frequent correspondence between it and the agencies involved in common carrier policy.

In the last Congress, the Committee acted on several bills establishing policy in the common carrier field which were subsequently passed, including the FCC and NTIA Authorization bills and the Hearing Aid Compatibility Act and the Telecommunications Accessibility Enhancement Act of 1988 (to improve access to the government for the deaf). The Committee also contributed to the debate by holding a number of hearings on specific common carrier policy matters. Three days of hearings were held on the Modified Final Judgment (the AT&T antitrust consent decree), Judge Greene's decisions concerning the antitrust restrictions imposed on the 7 Regional Bell Operating Companies (RBOCs), and the FCC's ONA proposal. The Committee held two hearings in the last Congress on international telecommunications issues, a hearing on the FCC's price cap plan, one on cellular licensing, one on the Hearing Aid Compatibility Act, and one on the Telecommunications Accessibility Enhancement Act of 1988.

The Committee fully intends to maintain its prominent role in the establishment of common carrier policy. It will continue to pursue the twin goals of competition and universal telephone service, with a particular focus on the latter. Finally, the Committee will, as a matter of practice, closely follow all common carrier actions of the Commission to ensure they reflect the public interest. The following are among the issues to be given serious consideration by the Committee in the upcoming Congress.

*Price Caps*

The FCC has proposed to replace "rate of return" regulation of AT&T and the exchange carriers with a system of price caps. Generally, "price caps" are maximum average rates. The FCC argues that a price cap regime will provide carriers with greater incentives to reduce their costs by allowing them to keep the difference between their costs and their revenues as profit.

Although there is evidence that improvements could be made to the rate of return method of regulation, Members of the Committee expressed several concerns about the price cap proposal in last year's hearing and in letters to the FCC. For instance, they question whether a price cap plan gives the carriers sufficient incentives to reduce their prices as they reduce their costs. They believe that even with a cap on prices, the consumer may end up paying higher rates than are justified. They are also concerned that price caps may give the carriers greater flexibility to alter their rate structure and possibly discriminate against the competition. Concerns were also expressed about the effect of the price cap approach on service quality, reliability, and improvement. Some Members of the Committee believe these concerns are serious enough that the FCC should issue a further proposal for comment. Because of these concerns, the Committee will examine any price cap plan issued by the FCC very closely before deciding whether to allow it to take effect.

*International Telecommunications*

The Committee has long been concerned with international telecommunications and the effectiveness of our policies. The telecommunications industry is one of our country's most important. We need to ensure that it can operate worldwide, on even terms with the competition.

The provision of services and goods by our telecommunications industry is influenced greatly by a number of international organizations—both worldwide and regional. For example, the ITU holds regular conferences on how to allocate the electromagnetic spectrum and establish standards for the provision of telephone services. While these conferences only issue recommendations, they are usually seen as binding. With such great stakes, the United States must work hard to further its viewpoint. Yet, we face severe political barriers and need to determine how best to overcome them.

As noted, the Committee held two hearings on international communications during the last Congress, particularly focusing on trade in services and equipment. Competition in our telecommunications markets has opened great opportunities for other countries. We have imposed few barriers on foreign suppliers; yet, we are often not treated equally in return by foreign administrations. As a result, our industry has had a very difficult time exporting its services and equipment overseas. In many instances, the old foreign telephone monopolies remain completely in control and funnel purchases only to in-country suppliers. Even where greater competition is nascent, there are frequently barriers far higher than we impose. The result is that the United States no longer has a telecommunications trade surplus but has a growing trade deficit.

Since the last hearing was held in April, 1988, the United States has participated in two world-wide conferences sponsored by the ITU—the 1988 World Administrative Radio Conference (Space WARC) and the World Administrative Telegraph and Telephone Conference (WATTC-88). The United States is also preparing for the ITU's Plenipotentiary Conference to be held in May-June 1989. The Plenipotentiary Conference will consider a number of organizational and budgetary issues concerning the operation of the ITU that are of vital importance to the United States. In the 101st Congress, the Committee will examine the results of these conferences and explore ways of improving the U.S. performance.

There are also a number of issues to be considered surrounding Intelsat/Comsat and U.S. international satellite policy. The Committee continues to believe that strong U.S. support for Intelsat is a good policy. This organization has achieved much success in providing worldwide telecommunications services. At the same time, numerous opportunities have arisen, because of new technologies and aggressive entrepreneurs, both old and new, to provide more services at lower cost. In following its domestic policies, the United States has adopted policies that promote new entry in international markets. In particular, the Committee is monitoring the status of the international separate satellite systems and their ability to obtain "operating agreements" in countries and approval from Intelsat. While PanAmSat has received approval from Intelsat, there are concerns about future consultations with Intelsat. The Committee believes that the United States must continue to focus its energies on ways of promoting the ability of separate satellite systems to compete for specialized services while maintaining its strong support for Intelsat.

The Committee's examination of international telecommunications includes a review of the 1962 Communications Satellite Act and the 1978 International Maritime Satellite Telecommunications Act. These laws authorize Comsat to be the representative of the United States before two international organizations, Intelsat (for communications between countries) and Inmarsat (for international maritime communications). Since these laws were passed, both technology and U.S. policy have changed greatly. The result is that the economic interests of Comsat often diverge from the policy interests of the United States and Comsat is placed in the position of representing positions that are not in its best corporate interest. It is important that we now determine if the requirements in these laws should be altered. A staff report on this matter should be issued shortly.

*The Modified Final Judgment*

The AT&T divestiture consent decree (known as the Modified Final Judgment or MFJ) accomplished the greatest restructuring of an American corporation in history. The decree required AT&T to divest itself of any ownership of local exchange companies because of these companies' monopoly, "bottleneck" control over local telephone facilities. The decree also barred these Regional Bell Operating Companies (RBOCs) from entering the manufacturing, long distance

and information services industries. After reconsidering these restrictions in 1987, Judge Greene issued a number of rulings that altered some of the restrictions and kept others in place. As noted above, the Committee held three days of hearings on these restrictions and on the Judge's decisions.

The Committee explored the issues raised by the restrictions and the Judge's recent decisions, but last Congress did not act to alter either the Judge's decisions or his authority to continue to supervise the consent decree. The issues involved are complex, and there are numerous parties who have an interest in the terms of the decree. The Committee will continue to monitor the Judge's administration of the decree to ensure that the public interest is protected.

*FCC Tariffing Policies and Procedures*

The Committee has become increasingly concerned about the FCC's procedures and policies with regard to the tariffs filed by the dominant telephone companies. In too many instances, the FCC has found that a carrier's tariff raises significant questions of law or fact and has begun an investigation of the tariff but has also allowed the tariff to become effective. Some of these investigations of potentially-unlawful tariffs have taken years to complete. The FCC's treatment of recent custom-service tariff offerings raise serious questions about compliance with the Communications Act and the FCC's rules.

The last Congress addressed a part of this problem by including a provision in the FCC Authorization bill that sets deadlines on certain tariff investigations. The Committee fully expects the FCC to comply with that legislation. While these deadlines should speed up the investigation process, the Committee believes that the questions surrounding custom-service tariff offerings need to be examined closely. The Committee understands the desire of carriers to satisfy the needs of its customers, keeping in mind the requirements of the FCC's rules and the Communications Act. The Committee intends to examine this issue.

*Access Charges*

In 1987, the FCC adopted a scaled-down proposal to increase the monthly subscriber line charge for residential customers to $3.50 in three stages. The FCC's initial proposal to increase this monthly charge to $6.00 was voted down by the House and was barely tabled by the Senate after the FCC agreed to reduce the proposed charge. The Committee in 1987 scrutinized carefully the new subscriber line charge as well as the accompanying universal service and high cost funds to ensure that the interests of rural and high-cost area customers would be protected. The Committee decided that no action was necessary at the time but indicated that it would continue to monitor this matter.

Since then, both the proponents and opponents of the increased charges have gathered additional evidence concerning the need for the charges. The Committee intends to examine this evidence closely to ensure that the FCC is not acting arbitrarily. The Committee will also evaluate the FCC's "Link-Up America" plan to see whether it has adequately promoted universal service.

In 1987, the FCC announced that it was considering other changes to its access charge plan that would affect the charges for the enhanced services industry and the corporate users of bulk private lines. The FCC has not carried forward on these proposals. Should the FCC decide to resurrect these proposals or suggest that other changes in the access charge plan may be necessary, the Committee is certain to give them serious consideration.

*Third Computer Inquiry*

The Third Computer Inquiry decision of 1986 had many far-reaching proposals that were intended to promote competition in the new information services marketplace. The carriers submitted their ONA plans in 1988 in fulfillment of this decision, and the FCC recently issued its first order concerning these plans.

The Committee believes that the FCC took a positive step in announcing its ONA policy. The FCC has recently approved, in large part, the plans submitted by the carriers and some Members of the Committee remain concerned with the implementation of the ONA policy. The issues involved in the ONA process may be the most complex and technical issues faced by the FCC. Further, the telecommunications network is evolving constantly in response to new technological advances and new customer demands. Finally, enforcement of the ONA policies is an issue in the ongoing debate concerning the line of business restrictions governing the RBOCs. For all these reasons, the FCC must continue to monitor the development of the network to ensure that the carriers carry through on their ONA plans and that they update their plans to fit future environments. The Committee intends to look closely at the FCC's efforts to implement the ONA process to ensure that it does not lose sight of the goals of the original proceeding.

## NOMINATIONS

### FEDERAL COMMUNICATIONS COMMISSION

There are presently two vacancies on the FCC. While two nominations were presented to the Committee in 1988, the Committee took no action on these nominees in the last Congress and their nominations expired. Another FCC seat will expire at the end of June 1989.

### CORPORATION FOR PUBLIC BROADCASTING

Currently, there is one vacancy on the CPB Board and the terms of three of the members will expire over the next 2 years.

### COMSAT

There are currently two vacancies on the COMSAT Board of Directors.

## CONSUMER

### INTRODUCTION

The Committee exercises legislative jurisdiction over a broad range of areas dealing with consumer protection. In addition, the Committee exercises authorization and oversight responsibility over the Federal consumer protection agencies.

The responsibility of the Committee for consumer protection legislation dates back to the 19th Century. A number of these early laws built the platform for the modern consumer protection efforts by the Committee.

In the 1960's and early 1970's, Congress enacted many proposals emanating from the Commerce Committee to provide consumer protection in such areas as product safety, poison prevention packaging, warranties, and unfair or deceptive practices. The overriding goal of the consumer movement in those years was to develop means to improve equity and fair play in the marketplace while assuring the quality and safety of consumer goods and services.

In an effort to ensure that these programs were meeting Congressionally-mandated goals, the Committee, in the last 10 years, conducted oversight of agencies having responsibility for these programs to ensure their effective operation. The Committee focused on regulatory reform within these agencies to eliminate overlapping, duplicative, and ineffective regulations which could lead to higher costs for consumers and business.

In more recent times, concerns have been raised that the Federal agencies created to provide consumer protection have reduced their enforcement of the consumer laws under their respective jurisdictions. The Committee will focus on these issues as it conducts oversight of these agencies.

In the 100th Congress, the Consumer Subcommittee held reauthorization hearings regarding agencies within the Subcommittee's jurisdiction. These hearings, combined with additional agency oversight hearings, provide the Committee an excellent opportunity to assess, analyze, refine, strengthen, and, if necessary, supplement or modify programs over a broad spectrum of consumer concern.

The Committee will hold additional hearings to investigate and examine areas where agency inaction may be creating inequities. The Committee will in particular examine instances of unfair or deceptive acts or practices such as consumer fraud or deceptive advertising, unfair methods of competition, or lack of public protection against unreasonable risks of injury associated with consumer products or automobiles.

## AUTHORIZATIONS

### FEDERAL TRADE COMMISSION

The Federal Trade Commission (FTC) was established in 1914 when early antitrust laws failed to protect small businesses, farmers, and consumers. At that time, the FTC was given broad powers to restrain "unfair methods of competition." In 1938, the role of the FTC was expanded to give the necessary powers to police consumer fraud and deceptive advertising.

The agency's authority was further expanded to give it jurisdiction over laws providing consumers with information to make informed choices. These include such laws as the Textile Fiber Products Identification Act of 1958, the Fair Packaging and Labeling Act of 1966, and the Magnuson-Moss Consumer Product Warranty-Federal Trade Commission Improvements Act of 1974.

To promote regulatory reform, the Federal Trade Commission Improvements Act of 1980 required that the FTC undertake significant changes in its procedures for conducting investigations and rulemakings. This act expired at the end of FY 1982, and the FTC has been without an authorization since that time. Legislation to authorize the agency was introduced and reported by the Committee in the 97th (S. 2499), 98th (S.1714), and 99th (S. 1078) Congresses; however, these bills were not enacted.

In the 100th Congress, the Committee again reported legislation (S.677) to reauthorize the agency. As part of this endeavor, the Committee assessed the authorization legislation passed by the Senate in the 99th Congress, legislation which contained such issues as compromises in the area of the FTC's regulation of "unfair" advertising and the FTC's authority over agricultural cooperatives. The Committee also examined the FTC's performance and the effectiveness of the agency's enforcement of the antitrust and consumer protection laws under the Maintaining Competition and Consumer Protection Missions. Additionally, the Committee assessed the effectiveness of the Economic Activities Mission in fulfilling the mandate of the agency. S. 677 was acted upon by the full Senate but a conference on the authorization legislation was not completed.

In the 101st Congress, the Committee will consider these and other issues in its efforts to reauthorize the agency.

### CONSUMER PRODUCT SAFETY COMMISSION

The Consumer Product Safety Commission (CPSC) was created by Congress in 1972 to protect consumers against injury and death from hazardous products. The CPSC's mission requires it to collect and act on data concerning product-related injuries, inspect manufacturer premises and take corrective action, and inform consumers and manufacturers about product safety.

In addition to the Consumer Product Safety Act (Public Law 92-573), the CPSC administers the following statutes: the Federal Hazardous

Substances Act (Public Law 86-613), which authorizes the CPSC to protect the public from injury by substances used in household products or toys; the Flammable Fabrics Act (Public Law 83-88), which restricts the manufacture of all dangerously flammable textile products; the Poison Prevention Packaging Act (Public Law 91-601), which sets standards for packaging of household substances that are accessible to children and would be harmful if handled or ingested; the Refrigerator Safety Act (Public Law 84-930), which seeks to reduce hazards to children who may be trapped in refrigerators; and the Cigarette Safety Act of 1984 (Public Law 98-567), which seeks to encourage the development of cigarettes and small cigars with a reduced propensity to ignite upholstered furniture or mattresses.

The CPSC was created by Congress at the recommendation of the National Commission on Product Safety, which issued its final report in 1970. At the time, product-related household accidents accounted annually for some 30,000 deaths, 110,000 permanently disabling injuries, and 20,000,000 injuries serious enough to warrant medical treatment. The cost to the country, in lost time and damage claims, has been estimated at over $5.5 billion per year. By its own calculations in 1979, the CPSC each year prevented approximately 215,000 injuries and countless deaths, because of its standards, recall procedures, and policing of industrial practices.

Almost since its inception, the CPSC has been the target of criticism that it has not been entirely effective in carrying out its statutory mandate. The Committee conducted hearings during the 97th Congress, reauthorized the agency for FY 1982 and 1983, and made several changes in the agency's statutory scheme (Public Law 97-35). The CPSC has suffered from significant budget cuts.

During the 98th and 99th Congresses, the Committee conducted several days of CPSC reauthorization hearings and reported new authorization legislation for the agency. These measures eventually passed the Senate. In the 100th Congress, the Consumer Subcommittee conducted an authorization hearing, and it revisited some of the same issues which formed the basis of legislation receiving Senate approval in the 98th and 99th Congresses; that legislation was not enacted into law. The Committee then considered and ordered reported CPSC reauthorization legislation (S. 1882), but the legislation was not considered by the Senate. One provision in that bill, relating to a ban on the sale of lawn darts, did become law in November, 1988. The CPSC has been without statutory authorization since the end of FY 1983, and the Committee will attempt to secure enactment of such legislation in the 101st Congress.

### NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

In 1966, in response to the rising death toll on the Nation's highways, the Committee reported landmark legislation which established the National Highway Traffic Safety Administration (NHTSA). The agency is responsible for improving motor vehicle safety.

NHTSA is required to establish motor vehicle safety standards, undertake and support safety research and development, order recalls or remedies of automotive defects or failure to comply with safety standards, and provide consumers with information relating to the purchase and maintenance of a motor vehicle. According to DOT, cars are 25 percent safer today because of required auto safety features. Despite these gains, there were approximately 46,000 traffic fatalities in 1987.

Legislation to authorize NHTSA activities, implemented pursuant to the National Traffic and Motor Vehicle Safety Act, the Highway Safety Act, and the Motor Vehicle Information and Cost Savings Act, was reported by the Committee and passed by the Senate in the 99th Congress (S. 863). However, a conference on this authorization legislation was not completed.

In the 100th Congress, the Committee considered and reported legislation (S. 853) to reauthorize NHTSA activities. The Committee examined issues such as the side impact rulemaking, which was terminated in 1982, and the ability to provide crashworthiness information effectively to consumers seeking to purchase new cars. Additional issues that the Committee explored during the 100th Congress included multipurpose passenger vehicle safety, rear seat belt safety, and NHTSA's safety standard compliance review procedures. During the authorization hearing, the Committee assessed the overall performance of NHTSA in fulfilling its mandate. On April 24, 1987, the Senate passed S. 853. No action on this bill was taken by the House Energy and Commerce Committee.

In the 101st Congress, the Committee is expected to pursue again legislation reauthorizing NHTSA.

### THE UNITED STATES FIRE ADMINISTRATION AND FIRE ACADEMY

The U.S. Fire Administration and the Fire Academy were established by the Federal Fire Prevention and Control Act of 1974 (Public Law 93-498) to assist States and local firefighters in promoting fire prevention and control. For over a decade, the United States has had one of the worst fire records of any industrialized nation. Though the statistics have dropped in recent years, fires still cause some 6,000 deaths and billions of dollars in direct property loss annually. Consequently, fire prevention and control are of continuing national importance and the 1974 Act has lost none of its timeliness or urgency.

Past testimony before the Committee indicates that recent efforts to eliminate funding for the Fire Administration and reduce funding for the Fire Academy would yield a serious setback to these important efforts to prevent the loss of life and property due to fires. Emergency management has been historically a responsibility shared by the Federal government in tandem with state and local authorities. The Federal effort focuses on programs that local communities cannot provide. It collects data on fires, sponsors research into the causes of fire and methods of reducing the damage from fires, and develops programs to educate both firefighters and the public. Proposed budget reductions require an assessment of whether a continued Federal role is necessary and

whether local governments and the private sector are able and willing to assume the functions of these agencies.

As part of the reauthorization process during the 100th Congress, the Committee examined whether further budget reductions were justified. Funds were restored for training and other items proposed to be eliminated by the Administration, and authorization legislation (H.R. 4419) for FY 1989 through 1991 was enacted.

## OVERSIGHT AND OTHER ISSUES

### FEDERAL TRADE COMMISSION

The Committee intends to conduct oversight of the FTC and the extent to which it is enforcing its Congressional mandate. Issues to be examined include the Commission's caseload, its level and the nature of rulemakings in progress, and order modifications and rescissions. The Committee will focus on the internal procedures and organization of the agency. In addition, the effects on consumers and the availability of products and services in the marketplace as a result of the Commission's actions regarding mergers and acquisitions will be evaluated.

During the 100th Congress, the Committee also examined telemarketing and other forms of consumer fraud, as well as the FTC's activity regarding such fraud. Further review of the FTC's law enforcement activities in these areas is likely during the 101st Congress, and legislation may be considered.

### CONSUMER PRODUCT SAFETY COMMISSION

The Committee intends to review CPSC regulatory activity in several areas. As part of its oversight function, the Committee will continue to examine the timeliness and effectiveness of the CPSC's efforts in the areas within its jurisdiction. Voluntary standard efforts and enforcement and compliance activities of the CPSC will be evaluated, together with the CPSC's responses to specific safety hazards. The Committee also expects to evaluate the CPSC's implementation of legislation enacted in the 100th Congress which requires chronic health hazard warning labels on art and craft materials.

The Committee will evaluate the enforcement of the final consent decree regarding all-terrain vehicles entered into in 1988 by the CPSC and the distributors of these vehicles, in order to ensure that there is compliance with the decree and to monitor the effects of the decree on reducing the risk of death and injury from the vehicles.

In addition, the Committee expects to review the effects of recent budget constraints on the ability of the members and staff of the CPSC to fulfill their statutory responsibilities.

### NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The Committee intends to conduct oversight of NHTSA to determine its effectiveness in carrying out the purposes and Congressional intent

of the laws that it administers. The Committee will examine such issues as the NHTSA defect investigation program and the recall program.

The Committee will review all activities including regulations adopted pursuant to NHTSA's authority but later repealed or modified. For example, NHTSA issued a new passive restraint standard in response to the U.S. Supreme Court's 1983 ruling that the agency's 1981 rescission of an earlier standard had been "arbitrary and capricious". The new Standard 208 requires automobile manufacturers to install passive restraints (passive seat belts, airbags, or energy-absorbing interiors) in new cars. Using a phased-in schedule, all new cars manufactured for sale in the United States on or after September 1, 1989 must be equipped with passive restraints unless States comprising two-thirds of the U.S. population enact mandatory seat belt use laws by April 1, 1989. The Committee will evaluate the effectiveness of this standard, including the State efforts to enact mandatory seat belt laws.

The Committee intends to monitor NHTSA's implementation of legislation enacted in 1986 to combat automobile odometer tampering, as well as implementation of three major drunk driving statutes. The first, enacted in October 1982, established an incentive grant program to encourage States to strengthen their drunk driving laws and enforcement efforts. This statute also provided for a four-state pilot project and a 1988 report to Congress on the computerization of the National Driver Register to enable State officials to identify problem drivers. The second, enacted in July 1984, requires States to set the minimum legal drinking age at 21 or else lose a portion of their highway construction funds. The 1984 legislation also established incentive grant programs to encourage States to: (1) enact mandatory sentencing laws for drunk driving offenses; (2) computerize their traffic recordkeeping systems; and (3) take steps to combat driving under the influence of drugs. The third law, signed into law in November 1988, provided incentives to the states to adopt an administrative suspension of drunk drivers' licenses and other drunk driving enforcement measures.

The Committee will renew its efforts to promote highway safety in areas relating to highway safety, including multipurpose passenger vehicle safety, rear seat belt safety, NHTSA's safety standard compliance review procedures, and handicapped parking issues.

The Committee reported legislation during the 100th Congress, which with modifications was enacted, to encourage the development of vehicles fueled by alternative fuels (e.g, methanol, ethanol, and natural gas). This law includes provisions permitting the manufacturers to achieve higher CAFE (corporate average fuel economy) ratings for vehicles which will operate on alternative fuels. The Committee will be evaluating the implementation of this legislation by DOT. In addition, the Committee will continue its review of the CAFE provisions in the Motor Vehicle Information and Cost Savings Act to evaluate their effectiveness.

### RISK RETENTION ACT AMENDMENTS

The Risk Retention Amendments of 1986 were passed to provide competition in the insurance marketplace by allowing local governments, nonprofit organizations, and small businesses to self-insure or purchase group insurance. This law contains a provision calling for reports to Congress concerning the implementation of the Act. The first of these reports was received in October 1987, and the second report is expected to be completed in September 1989. The Committee expects to conduct oversight hearings to assess the contribution of the Act toward resolution of insurance affordability and availability problems, the extent to which these groups have enhanced competition in the insurance marketplace, the activities of the states regarding this Act, and any problems with implementation of the Act.

### ALCOHOL LABELING LEGISLATION

During the 100th Congress, the Committee reported S. 2047, legislation to require health warning labels on alcoholic beverage containers. The legislation was later enacted into law as part of H.R. 5210, the Omnibus Anti-Substance Abuse Act (Public Law 100-690). Among other things, the new labeling law authorizes the Secretary of the Treasury to issue appropriate regulations. The law also permits the Secretary, in consultation with the Surgeon General, to recommend changes in the label after the expiration of a 2-year period. The Committee will monitor implementation of this labeling legislation.

## NOMINATIONS

### FEDERAL TRADE COMMISSION

In 1988, a recess appointment was made to the FTC for the term of office that expired in September 1987. That recess appointment will expire upon her confirmation to a full term or the expiration of the first session of this Congress, whichever first occurs. In this Congress, the recess appointee has been nominated to serve the remainder of that term. In addition, there is a vacancy in the office of the Chairman of the FTC, as the term of that position expired on September 25, 1988. The Committee expects that the President will submit a nomination for that position.

One additional term of office will expire in 1989 (on September 25, 1989) and in 1990 (on September 25, 1990), and the Committee has jurisdiction over any nominations submitted for those terms as well.

### CONSUMER PRODUCT SAFETY COMMISSION

Under the Consumer Product Safety Act, the CPSC has five members, but sufficient funds have been appropriated in recent years for filling only three of these positions. One of these three positions is now vacant, with the resignation in January 1989 of the Chairman. The Committee expects to consider a nomination for at least this position during the coming Congress, especially in view of the fact that the

current vacancy precludes the CPSC from taking final actions due to the lack of quorum.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The Committee anticipates that the President will submit a nomination for Administrator of NHTSA. The Committee will review this nomination when it is received.

## FOREIGN COMMERCE AND TOURISM

### FOREIGN COMMERCE

The Foreign Commerce and Tourism Subcommittee will continue its examination, begun last Congress, of the health of specific industries. A hearing was held last Congress on the competitiveness of the U.S. chemical industry. Hearings are planned on the coal industry, the forest products industry, the advanced materials (ceramics) industry and the steel industry.

The Subcommittee also will continue its oversight of problems posed to U.S. businesses by Japanese patent policy. The Subcommittee will hold hearings on multilateral and trilateral harmonization talks, as well as bilateral negotiations with the Japanese on specific patent problems.

The annual oversight hearing on the activities of the U.S. and Foreign Commercial Service (U.S. & FCS) will be held. Following the hearing in the Second Session of the 100th Congress, the Subcommittee asked GAO to report on U.S. & FCS's Commercial Information Managment System (CIMS). The GAO's findings are due back early in the 101st Congress and may provide the basis for additional hearings.

Finally with regard to foreign commerce issues, the Subcommittee also may examine other programs and offices at DOC, including the Export Now program, the new Office of Barter and Countertrade, service sector data collection, and the gathering of trade statistics.

### TOURISM

The tourism industry is one of the largest and most rapidly-growing in the world. This industry creates a far reaching base of wealth as it consumes the output of many feeder industries including agriculture, fishing, food processing, brewing, construction, airline and automobile services and furniture.

The Committee is interested in knowing what incentives, policies, programs, and resources must be martialed to ensure that tourism makes the maximum contribution to export revenue and job creation. These topics will be the subject of tourism hearings in the Subcommittee.

Representatives of the travel and tourism industry repeatedly testify that the efforts of the United States Travel and Tourism Administration (USTTA) within DOC are critical to ensuring that the United States is marketed as a tourism destination and that the United States receives a growing share of the international tourism market. The Committee has supported the work of the USTTA and will consider legislation to reauthorize USTTA at an appropriate level in the 101st Congress.

## NOMINATIONS

Early in the 101st Congress the Committee will consider nominations of appropriate DOC officials including the Under Secretary for Travel and Tourism and the Director General of the U.S. & FCS. The Under Secretary for Travel and Tourism is charged with promoting the United States as an international travel destination. The Director General of the U.S. & FCS is responsible for helping small and medium-sized businesses export.

# MERCHANT MARINE

## INTRODUCTION

The Committee exercises authorization and oversight jurisdiction over those Federal agencies responsible for U.S. domestic and international maritime policy and activities, principally the Maritime Administration (MarAd) within DOT and the Federal Maritime Commission (FMC). Furthermore, the Committee exercises jurisdiction over the related laws affecting the maritime activities of the United States.

## AUTHORIZATIONS

### MARITIME ADMINISTRATION

The primary purpose of MarAd and its programs is to ensure a strong U.S. merchant marine by promoting U.S.-flag shipping and the domestic shipbuilding industry in times of peace, and to ensure the defense readiness of both in the event of war or other national emergency.

The Committee is charged with overseeing and authorizing the various maritime programs administered by MarAd. During the 101st Congress, the Committee will consider the FY 1990 and 1991 authorizations of appropriations for MarAd's programs.

Over the years, the Committee has exhibited a particular interest in the following MarAd programs.

### MERCHANT MARINE ACADEMY AND STATE MARINE SCHOOLS

MarAd operates the U.S. Merchant Marine Academy at Kings Point, N.Y., where men and women are trained to become officers in the American Merchant Marine. In addition to classroom training, midshipmen are required to spend a year at sea on American-flag vessels. The Academy has an average enrollment of approximately 900 students.

MarAd also supervises the Government grants and student aid given to the six State Marine Schools, which are located in Maine, New York, Massachusetts, California, Texas, and Michigan. These schools have a total enrollment of about 2,000 and graduate about 400 students annually. The Committee is interested in a proposed MarAd plan to implement a training-ship sharing program between the schools which is due to take effect in late 1989.

## READY RESERVE FORCE

The purpose of the Ready Reserve Force (RRF) is to assure a supply of merchant ships adequate to support the deployment of U.S. armed services in times of national emergency. The active U.S.-flag fleet, foreign flag-U.S. owned vessels, allied ships, and other ships in the National Defense Reserve Fleet cannot provide the requisite number and types of ships on time during the early, "surge" phases of mobilization. Therefore, it has been determined essential that a number of merchant ships under Government control be maintained in a state of advance readiness at several locations. MarAd and the Navy, in accord with Department of Defense (DOD)/Navy contingency requirements, have been building an RRF to meet the projected shortfall in surge shipping requirements. Beginning with FY 1989, the funding for the RRF will be authorized and appropriated to MarAd, rather than to the Navy.

## TITLE XI LOAN GUARANTEE PROGRAM

The Federal Ship Financing Program, authorized by Title XI of the Merchant Marine Act, 1936, provides that the Secretary of Transportation may pledge the full faith and credit of the United States to guarantee the principal and interest of construction loans and long-term financing applicable to the construction, reconstruction or reconditioning of a vessel to be used in the domestic or foreign trade of the United States. This loan program was established in 1972 to encourage the construction of vessels in the United States. The program permits U.S. owners to borrow funds from public or private sources at the lowest possible interest rates and enables some owners access to credit markets that might not be available at all without the Government guarantee. Furthermore, MarAd repays the loan to the lender in the event of a borrower's default.

During the 101st Congress, the Committee will review the Title XI program and consider extension of the legislation enacted during the 99th Congress, which provided MarAd authority to foreclose on vessels of defaulting borrowers who have filed for protection under the bankruptcy laws.

## FEDERAL MARITIME COMMISSION

The FMC, an independent agency, administers the regulatory provisions of U.S. policy relating to our domestic offshore and foreign ocean-borne commerce. The FMC's principal tasks are to ensure that all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether conference members or independent carriers, compete fairly with one another, and to ensure that domestic liner service is available on a non-discriminatory basis at rates that are just and reasonable. The FMC is also vested with the responsibility of administering and implementing the Shipping Act of 1984.

During its consideration of the FY 1990 and 1991 authorizations for the FMC, the Committee expects to review several areas of the agency's activities including:

—The status of the FMC's efforts to automate its tariff functions through an Automated Tariff Filing and Information System;

—The implementation of the Foreign Shipping Practices Act of 1988, which gives the FMC additional tools to combat foreign maritime practices and restrictions that adversely affect the operations of U.S. carriers;

—The status of investigations regarding alleged discriminatory practices committed by our trading partners;

—The status of the FMC's enforcement efforts against illegal rebating;

—The status and results of the FMC's efforts to prepare a study and recommendations for amendments to the Shipping Act of 1984. This study is mandated by the 1984 Act.

## OVERSIGHT AND OTHER ISSUES

### THE OPERATING-DIFFERENTIAL SUBSIDY PROGRAM

Operating-differential subsidies (ODS) are the primary means of federal financial support for the competitive operation of the U.S.-flag merchant fleet engaged in the foreign commerce of the United States. This program helps to maintain a U.S.-flag merchant fleet to serve both the commercial and national security needs of the United States by providing operating subsidies to U.S.-flag ship operators to offset certain differences between U.S. and foreign operating costs. The operating expenses eligible for subsidy for the general cargo fleet are wages of the officers and crews, insurance, and maintenance and repairs not compensated by insurance.

Qualified U.S.-flag vessels which operate only on certain essential trade routes are eligible for ODS. Presently, four U.S. liner companies have subsidy contracts which expire at different times through the year 2000.

Yet, despite ODS, the U.S.-flag fleet continues to dwindle which, in turn, raises serious questions about its ability to serve as our fourth arm of defense in time of war and to carry a substantial portion of the ocean waterborne cargo in international trades.

There have been ongoing efforts for several years to fashion legislation to reform the ODS program but all efforts to date have been unsuccessful. The Committee will continue to examine ways to revitalize this beleaquered industry, including domestic shipyards, consistent with present budgetary constraints.

### CARGO PREFERENCE

Cargo preference has historically served as a means of ensuring the existence of a viable merchant fleet by guaranteeing cargo for it to carry. The term "cargo preference" is generally used to refer to the requirement for reservation of some or all of a particular category of government-owned or government-impelled cargo for transport aboard U.S. flag ships.

MarAd is responsible for monitoring the activities of other government agencies to ensure they comply with statutory cargo preference requirements. The Committee will review this and associated issues very closely during the 101st Congress. Whether and to what extent the preference laws are working as intended and agencies of government are complying with those preference laws is of vital importance to the Committee.

### JONES ACT

The Jones Act and related cabotage laws provide that, with certain exceptions, all merchandise and passengers being transported entirely or partly by water between U.S. points—either directly or via a foreign point--must travel in U.S.-built, U.S.-owned vessels that are U.S.-documented by the Coast Guard for such carriage. The Act has the effect of providing support to the U.S. maritime industry by guaranteeing that the U.S. merchant fleet will transport all waterborne commerce moving between U.S. ports.

Periodically, the Committee receives requests for a waiver of the Jones Act requirement that all vessels serving the domestic trades be built in the United States and have been continuously owned and operated under the U.S. flag. It is the Committee's responsibility to consider such requests individually, and to determine their potential impact on domestic commerce. When appropriate, the Committee will report implementing legislation.

### GENERAL AGREEMENT ON TRAIFFS AND TRADE

The Uruguay Round of GATT multilateral trade negotiations covering goods and services has been underway since September 1986. The current round of negotiations is the first effort to include the services sector as a subject for trade liberalization. The Committee is concerned that if the GATT is modified to include maritime transportation, domestic promotional programs such as the Jones Act, cargo preference, and financial assistance programs might be adversely affected.

The Committee will monitor the Uruguay Round in order to ensure that decisions in the Uruquay Round are consistent with the national interest in a strong merchant marine.

### UNITED NATIONS CODE OF CONDUCT FOR LINER CONFERENCES (UNCTAD CODE) REVIEW CONFERENCE

The UNCTAD Code is a cargo reservation scheme which, among other things, effectively reserves 40 percent of the conference liner cargo in a trade between two Codist countries to the national flag vessels of each, and leaves the remaining 20 percent for cross-traders in the conference.

Although the United States is not a signatory to the UNCTAD Code, it has a substantial interest in assuring that the Code does not operate to restrict the cross-trading opportunities of U.S.-flag operators.

Because the United States is not a signatory, its appropriate role in the Review Conference is now under consideration. The Committee will monitor this matter closely, and take such action as may be necessary.

### CONTINUING DIALOGUE BETWEEN THE UNITED STATES AND THE CONSULTATIVE SHIPPING GROUP (CSG) COUNTRIES

A series of discussions between the United States and CSG countries has been ongoing for several years. Its purpose is to ensure that ocean liner shipping trades are kept open to competition in the wake of increasing protectionist pressures and the coming into force of the UNCTAD Code.

In particular, both sides seek to assure that their national flag carriers will be able to gain realistic competitive access to each other's trades with developing countries. The Committee's concern continues to be that the interests of U.S.-flag operators and U.S. shippers vis-a-vis their CSG counterparts are fully protected.

## NOMINATIONS

During the 101st Congress, it is expected that the Committee will consider the nomination of the MarAd Administrator and at least two nominations to the FMC.

## NATIONAL OCEAN POLICY STUDY

### INTRODUCTION

NOPS, which the Commerce Committee administers, has oversight responsibility for all ocean-related issues. Established by Senate resolution, NOPS membership includes representatives from all standing committees that share an interest in ocean issues. Among the matters for which NOPS has oversight responsibility are coastal zone management, fisheries, marine mammals, ocean energy and mineral resources, ocean pollution, and marine science. In addition, the Commerce Committee exercises jurisdiction over legislation relating to weather and atmospheric activities. These activities include atmospheric and climate research, weather forecasting and environmental satellites. The principal Federal entities within the purview of NOPS are NOAA and the U.S. Coast Guard.

### AUTHORIZATIONS

#### U.S. COAST GUARD

The Coast Guard is the principal Federal maritime safety and law enforcement agency. Its typical civilian activities include vessel safety inspection, the rescue of life and property at sea, fishery law enforcement, marine environmental protection, and the interdiction of drug trafficking. In addition, the agency carries out port security functions and cooperates closely with the other armed forces in providing for the coastal defense of the United States. In time of war, the Coast Guard becomes an arm of the U.S. Navy.

The Coast Guard's authorization legislation expires at the end of FY 1989, and the Committee supports its renewal. Among the issues that must be addressed in developing an authorization bill are the alternatives for replacing Coast Guard icebreakers, the transfer of the Coast Guard's Bridge Administration Program to the Army Corps of Engineers, and the sufficiency of the Coast Guard's port security and safety activities as they relate to wartime mobilization requirements. In addition, the Committee will review the effectiveness of the Coast Guard's drug interdiction activities as well as the impact of these efforts on other important Coast Guard missions such as marine safety, search and rescue, aids to navigation, and fishery law enforcement. While recognizing the importance of the Coast Guard's drug enforcement responsibility, the Committee is committed to ensuring that other Coast Guard missions are fulfilled. A final priority during the authorization process will be careful oversight of the implementation of the Omnibus Drug Initiative Act of 1988.

## OCEAN AND COASTAL PROGRAMS

Legislation authorizing general program support for NOAA ocean and coastal programs, as well as its executive support and administrative functions, will be considered during the first session of the 101st Congress. This legislation will address activities in such areas as research vessel and aircraft operations and maintenance, ocean research, ocean services, and mapping, charting, and geodesy. During its consideration of these programs, the Committee will review the adequacy of their funding and administration.

## COASTAL ZONE MANAGEMENT ACT

The current authorization for the Coastal Zone Management Act expires on September 30, 1990. This Act was passed to encourage states, commonwealths, and territories to develop federally approved coastal management programs. These programs provide for management, preservation, protection and development of resources in the coastal zone. Federal funds are available to states to assist in the development and administration of these programs.

The Committee strongly supports reauthorization of the Coastal Zone Management Act and will hold hearings during the 101st Congress to ensure that the program is effectively administered. Furthermore, the Committee intends to continue its review of the status of our coastal resources and to examine the activities of Federal agencies responsible for their management and the underlying research. The review will concentrate on the efforts of NOAA, the Environmental Protection Agency (EPA), the Army Corps of Engineers, and the Federal Emergency Management Agency to determine the effectiveness of management strategies in the coastal zone. The specific role each agency plays in coastal management and research will be evaluated. The review reflects Committee concern that there is substantial risk of overlap among agency activities. With the current fiscal constraints, the Committee believes it is vital that the overall federal involvement in coastal matters be carried out in the most efficient manner possible. Thus, after its review is completed, the Committee will consider necessary legislative changes to ensure sound coordination among Federal agencies in their coastal activities, keeping in mind the important role NOAA plays.

## NATIONAL SEA GRANT COLLEGE PROGRAM ACT

The National Sea Grant College Program Act expires at the end of fiscal year 1990. This program was established in 1966 as a marine counterpart to the Land Grant Colleges. Its purpose is to further understanding, conservation, and development of ocean and coastal resources through university-based research, education, and advisory services. During the last reauthorization of the Act in 1987, a new strategic research program was created. During the second session of the 101st Congress, the Committee intends to review the Sea Grant program, especially the progress of the strategic research program.

### NATIONAL OCEAN POLLUTION PLANNING ACT

The reauthorization for this Act runs out at the end of FY 1990 and thus requires renewal. The Act calls for NOAA to coordinate ocean pollution research and monitoring by various federal agencies, eliminating duplication where possible. In addition, NOAA is charged with producing a comprehensive Federal plan for ocean pollution research and monitoring programs. During the reauthorization process, the Committee intends to fully review the implementation of the Act to determine if the program is successfully coordinating the activities of the various Federal agencies.

### OCEAN DUMPING RESEARCH AUTHORIZATION

The authorization for NOAA's research on the effects of ocean dumping is contained in title II of the Marine Protection, Research, and Sanctuaries Act, and will require extension after September 30, 1990. The Committee's activities directed at reauthorizing this title will include a review of the funding levels for NOAA's ocean dumping research and ocean assessment programs.

### DEEP SEABED HARD MINERAL RESOURCES ACT

The Deep Seabed Hard Mineral Resources Act, providing for the development of deep seabed mining technology and activities consistent with protection of the marine environment, expires September 30, 1989. The Committee will consider reauthorization of the Act during the first session of the 101st Congress.

### ATMOSPHERIC AND SATELLITE PROGRAMS

The Committee is responsible for oversight of NOAA's atmospheric and satellite programs. The atmospheric programs include atmospheric and hydrological research and the preparation and dissemination of public warnings and forecasts by the National Weather Service (NWS). The satellite programs encompass both the procurement and operation of the Federal government's weather satellite system and the collection and management of environmental satellite data. Also included among these programs is operation of the existing Land Remote Sensing Satellite (LANDSAT) system and the DOC program for LANDSAT commercialization.

Legislation authorizing these programs expires on September 30, 1989. As in past years, the Committee will review these programs, their administration, and budget, and develop authorizing legislation for fiscal year 1990 and beyond. Ongoing efforts to improve our national weather forecast and warning system will continue to be a matter of particular interest to the Committee. Over the next 5 years, the NWS will spend millions of dollars to replace outdated and obsolete weather equipment and technologies. In addition, the modernization is expected to involve widespread changes in the operations of the NWS and a major restructuring. Last year's authorization bill (Public Law 100-685)

requires the Secretary of Commerce to develop a comprehensive 10-year plan for modernizing the NWS. The Committee intends to examine the plan closely when it is submitted for Congressional review at the beginning of the 101st Congress.

During the 101st Congress, the Committee also expects to review operation of the existing LANDSAT 4 and 5 system, to assess the commercial potential of the planned LANDSAT 6 system, and to evaluate requirements and options for the follow-on LANDSAT 7 system. The Committee will consider the Administration's new proposal for an international consortium to build and operate a commercially viable LANDSAT 7, as well as the National Plan for Remote-Sensing which is required pursuant to Public Law 98-365, the Landsat commercialization law.

Other atmospheric and satellite issues for which Committee oversight may be required are: (1) closing and service reductions at NWS field offices due to budget constraints; (2) cost overruns in the development of the new series of geostationary meteorological satellites; (3) improvement of environmental data management and archiving systems; (4) proposed convergence of civilian and military polar-orbiting meteorological satellite systems; (5) application of remote sensing to fisheries management and enforcement, search and rescue operations, pollution assessment, measurement of ocean productivity, and monitoring of long-term global environmental change; and (6) evaluation of ongoing weather, climate, and atmospheric research and monitoring activities.

## NATIONAL CLIMATE PROGRAM ACT

The authorization of appropriations for the National Climate Program Act expires on September 30, 1989. This legislation establishes mechanisms to coordinate Federal research programs relating to natural and man-induced climate processes. NOAA is designated by the Act as the lead agency in climate research and has created a National Climate Program Office to manage the climate-related activities of NOAA, NASA, NSF, EPA, and the Departments of Agriculture, Defense, Energy, and the Interior. The Committee intends to reexamine this legislation and to assess its effectiveness in addressing such growing concerns as global climate change, regional droughts, and federal-state coordination of climate information and activities.

## WEATHER MODIFICATION REPORTING ACT

This Act, which expires at the end of FY 1989, requires that all weather modification experiments and activities within the United States be reported to the Secretary of Commerce. The Committee supports reauthorization of this legislation, and believes that monitoring of such activities is essential. Weather modification alters atmospheric conditions in ways which are not understood and may affect areas beyond the location where an experiment is carried out.

## MAGNUSON FISHERY CONSERVATION AND MANAGEMENT ACT

The Magnuson Fishery Conservation and Management Act (MFCMA) extended U.S. management authority over most fishery resources within the 200-mile exclusive economic zone. The Act has contributed substantially to the development of the domestic fishing industry and to the displacement of foreign fishing fleets which formerly harvested large quantities of fish within our 200-mile zone. The MFCMA, which was passed in 1976 and amended in several subsequent reauthorizations, will be considered for reauthorization in the first session of the 101st Congress. Reauthorization hearings will consider: (1) the effectiveness of the Regional Fishery Management Councils in conserving and allocating fishery resources; (2) the adequacy of catch and fish population statistics and the means by which to remedy any inadequacies; (3) the sufficiency of Administration budget recommendations for activities carried out pursuant to provisions of the MFCMA; (4) issues related to the impact of foreign harvesting operations outside the 200-mile zone on U.S. fishery resources; and (5) approval of Governing International Fishery Agreements with foreign fishing nations.

## MARINE FISHERIES PROGRAM AUTHORIZATION ACT

The Marine Fisheries Program Authorization Act, which consolidates and authorizes most of the NOAA marine fisheries programs (other than the Magnuson Fishery Conservation and Management Act and the Marine Mammal Protection Act), expires at the end of FY 1989. Activities covered by the legislation include fishery information collection and analysis, fishery conservation and management, and state and industry fishery assistance. The Committee intends to review NOAA's administration of these programs during the reauthorization process.

## FISHERMEN'S GUARANTY PROGRAM

The current authorization for the section of the Fishermen's Protective Act establishing the Fishermen's Guaranty Program expires on September 30, 1989. This section provides authority to compensate U.S. fishermen for losses incurred if a foreign nation seizes a vessel for violating foreign fishing regulations which are not recognized as valid by the United States. Fishermen must enter into an agreement and pay fees for coverage under the guaranty program. During the 101st Congress, the Committee will consider the continued need for legislation to extend the program.

## ANADROMOUS FISH CONSERVATION ACT

Authorization of appropriations for the Anadromous Fish Conservation Act expires at the end of the current FY 1989. The Act provides for federal-state cooperation in conserving, managing, and enhancing anadromous fishery resources. During its reauthorization hearings on the budget for fishery activities, the Committee will examine the effectiveness of this grant program.

### INTERJURISDICTIONAL FISHERIES ACT

The Interjurisdictional Fisheries Act established a new grant program in FY 1988 for research in support of the management of interstate or interjurisdictional fishery resources throughout their range. Authorization of the program expires on September 30, 1989, and the Committee will consider legislation to reauthorize the Act in the first session of the 101st Congress.

### ATLANTIC TUNAS CONVENTION ACT

Expiring on September 30, 1989, the Act implements the International Convention for the Conservation of Atlantic Tunas (ICCAT), which establishes a multinational commission to manage tuna in the Atlantic Ocean. The legislation authorizes appointment of U.S. commissioners, establishes an advisory committee, provides for sharing commission expenses, supports research, and authorizes the promulgation and enforcement of regulations. The Committee will review the funding level under this Act during consideration of its reauthorization.

### NATIONAL AQUACULTURE ACT

Authorization for the National Aquaculture Act expired on September 30, 1988. The Committee intends to examine the implementation of the Act and determine the need for reauthorization of the legislation.

## OVERSIGHT AND OTHER ISSUES

### EXTENSION OF THE TERRITORIAL SEA

On December 28, 1988, President Reagan proclaimed an extension of the territorial sea of the United States from 3 nautical miles to 12 nautical miles. This extension was designed primarily to advance the national security interests of the United States. During the first session of the 101st Congress, the Committee intends to examine the implications of the Proclamation for domestic law relating to other national concerns, such as coastal zone management and fishery conservation and management.

### LIVING MARINE RESOURCES

Conservation of living marine resources such as marine mammals, fish, sea birds, and sea turtles will continue to be a high priority for the Committee during the 101st Congress.

Last fall, legislation was enacted to assess and reduce the adverse effects of commercial fishing operations on marine mammal populations. The legislation (Public Law 100-711) amends the Marine Mammal Protection Act and establishes a 5-year program to govern incidental taking of marine mammals by fishermen and to collect information regarding fishery-marine mammal interactions. Implementation of this legislation, including development of a new observer program, will be followed closely by the Committee.

Enacted in 1987, the Driftnet Impact Monitoring, Assessment, and Control Act calls for the Secretary of Commerce, through the Secretary of State, to conclude international agreements by June 29, 1989, for monitoring and enforcing with respect to the activities of the foreign driftnet fleet. The Committee intends to continue oversight of the issues addressed in this legislation, particularly in light of the impending deadline for the completion of agreements with nations conducting driftnet fishing activities.

Finally, the Committee will continue to monitor activities carried out under the International Convention for the Regulation of Whaling and the International Convention for the Prevention of Pollution from Ships.

## HARD MINERAL MINING IN THE OCEANS

During the 1980's, the Committee has followed with interest and authorized funding for the discovery of oceanic mineral deposits on the U.S. outer continental shelf or within the U.S. exclusive economic zone. The deposits consist of polymetallic sulfides and manganese and cobalt crusts. The Committee recognizes that separate legislation may be needed to create a legal regime under which mining of these types of deposits may proceed. The two main Federal laws applicable to ocean mineral production, the Outer Continental Shelf Lands Act and the Deep Seabed Hard Mineral Resources Act, appear to be inadequate, since they address oil and gas operations offshore and the mining of manganese nodules beyond U.S. jurisdiction, respectively. Mining interests have already noted substantial difficulties with both laws, and the Committee will consider the establishment of a workable regime that permits mining companies to proceed with investment plans and provides effective environmental safeguards.

## ANTARCTICA

The Committee will continue to monitor implementation of the Antarctic Marine Living Resources Convention, and to evaluate issues related to Antarctic mineral development, living marine resources and overall environmental protection, and scientific access to areas within the Antarctic region. Early in the first session of the 101st Congress, the Senate is expected to consider a new convention under the Antarctic Treaty System, the Convention on the Regulation of Antarctic Mineral Resource Activities.

## NOMINATIONS

The Committee is responsible for reviewing a number of Presidential appointments to positions dealing with ocean and atmospheric issues. Early in the 101st Congress, the Committee is expected to consider nominations for the Under Secretary of Commerce for Oceans and Atmosphere (NOAA Administrator), the Assistant Secretary of Commerce for Oceans and Atmosphere (NOAA Deputy Administrator), and the NOAA Chief Scientist.

The Committee expects to receive and consider the nomination of a new Coast Guard Commandant and Vice Commandant during the second session of the Congress. In addition, the Committee will consider routine nominations and the appointment of officers to flag rank for both the Coast Guard and the NOAA Corps.

The terms of the Commissioners of the Marine Mammal Commission either have expired or will expire during the 101st Congress. The purpose of the three-member Commission is to develop, review and make recommendations concerning the actions and policies of all federal agencies that affect marine mammals. The Committee anticipates that the present Commissioners will continue to carry out their responsibilities until nominees to replace them are confirmed.

# SCIENCE, TECHNOLOGY, AND SPACE

## INTRODUCTION

Under the Senate Rules, the Committee on Commerce, Science, and Transportation has jurisdiction over "nonmilitary aeronautical and space science . . . science, engineering, and technology research and development policy . . . (and) standards and measurement." In addition, the Committee has jurisdiction over "all matters relating to science and technology."

The Committee exercises this jurisdiction through the Subcommittee on Science, Technology, and Space.

In 1989 and 1990, the Committee intends to oversee actively the space and non-space technology activities of the Federal government to understand better how these programs assist existing and emerging industries; improve the competitive posture of U.S. goods and services in world markets; sustain U.S. technological leadership; enhance our scientific and technological understanding; stimulate interest in science, mathematics, computer sciences and engineering; improve our use of national resources and our understanding of the planet earth; and serve as a key element of U.S. foreign policy.

## AUTHORIZATIONS

### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

*Goals and Objectives*

At the start of the 101st Congress, the Committee finds the civil space program at a critical juncture. During the 101st Congress, the Committee and the Administration will be required to make crucial choices that will influence the scope and direction of the civil space program for the next 20 years.

The first decision of critical importance will be the Administration's decision concerning the release of $515 million in additional space station funding on May 15, 1989. Pursuant to Public Law 100-404, the FY 1989 HUD-Independent Agencies appropriations legislation, these funds will be released unless the President notifies the Congress prior to May 15, 1989, that he does not intend to proceed with the space station program. This decision, coupled with the FY 1990 space station funding decision, will have a significant impact on the space station program's development and deployment schedule.

Once a definite decision has been made on the fate of the space station program, it will be necessary to determine the long-term goals of the civil space program. NASA has initiated technology programs and studies to assess a variety of long-term options including a lunar base, a Mars sample return, and a manned Mars mission. However, in the FY 1990 NASA budget request, none of these technology programs is maintained at the levels assumed in FY 1989. In addition, several major reports, including the Paine Commission Report, the Ride Report, and the most recent National Academy of Sciences (NAS) Reports, "Toward a New Era in Space" and "Space Science in the Twenty-First Century," provide assessments of possible long-range goals and objectives that are useful starting points for a Congressional debate.

In 1988, the Reagan Administration considered long-term civil space program goals and objectives during formulation of the National Space Policy. However, despite the fact the Administration committed the Nation to space leadership and to the long-term goal of expanding human presence beyond earth orbit, no specific mission was selected. The President stated that it was necessary to conduct a major technology assessment before committing the Nation to a bold new initiative and that was the reason for the technology program outlined in the President's FY 1989 budget submission. Upon successful completion of this technology program, the Reagan Administration assumed a decision on a specific goal would be made in 1992—the 500th anniversary of the discovery of America.

The current budget situation and the Challenger accident have had a dampening effect on the debate over future civil space program goals and objectives. However, the Nation must determine the long-term goals and objectives of its civil space program and what resources will be made available to implement this program, starting with a "firm" decision in the 101st Congress on the fate of the space station program. Once a set of long-term goals is determined, the Administration and the Congress must establish specific timetables, benchmarks, and funding profiles for implementation of the civil space program which is essential to our economic and national security. If indeed the Nation is committed to space leadership, the time has come to determine what this concept entails and what resources will be required. The simple reality is that, at the same time the U.S. resolve is being questioned, other nations are moving aggressively to achieve leadership in space. The Soviet Union has an aggressive program in place and seems committed to win the race to Mars with or without U.S cooperation. The European Space Agency (ESA) also has an aggressive program and appears committed to leadership in space applications such as launch systems and remote sensing—areas once dominated by the U.S. Add to this list emerging programs in Japan, India, Brazil and other nations, and it is apparent why firm decisions are required concerning the goals and objectives of the U.S. civil space program. As noted in "Space: America's New Competitive Frontier," a report by the Business-Higher Education Forum, the nation that has made the greatest contribution of space technology to the world is now in danger of losing that lead as a result of overseas competition.

During the 101st Congress, the Committee intends to take the lead in this important debate on the future of the civil space program. The Committee will explore a variety of mission and program options, examine the budget requirements, assess the potential for and benefits of international cooperation with the Soviet Union and our allies, and formulate a blueprint for the future of the civil space program that is consistent with future budget projections and with a space leadership agenda.

*Budget Review*

Besides future goals and objectives, the Committee will be required during the 101st Congress to assess the FY 1990 and FY 1991 NASA budget requests, the disposition of on-going programs and policies, the state of NASA's infrastructure, personnel and staffing, and the safety and reliability of the Nation's space transportation system. In general, the Committee will be required to assess where we are, where we would like to go, how best to get there, and what resources are required. In this regard, Congress and the Committee will have to make one of the two choices that were enunciated in the Congressional Budget Office (CBO) Report, "The NASA Program in the 1990s and Beyond." The Congress will need to decide whether to increase dramatically the commitment of the United States to preeminence in space exploration or to adapt the U.S. space program to a limited budget.

With respect to the budget, as part of its FY 1990 submission, NASA has included a 2-year NASA budget with projections for the third year. This submission was required by the FY 1989 NASA Authorization Bill, Public Law 100-685, and was meant to permit better long-term strategic planning and a better understanding of the budget consequences of today's decisions. This submission also was intended to give the Committee a better basis for assessing the merits of a possible 2-year NASA authorization bill. The fact that a 2-year budget compromise between the Congress and the Administration is likely this year gives added impetus to multi-year authorizations. However, a final decision on multi-year authorizations will depend upon a thorough review of the pros and cons of multi-year authorization bills and the overall evaluation of such initiatives by the Committee and the Senate.

*Space Transportation*

In addition to these matters, the Committee also will be required to assess a variety of issues that influence the civil space program in the near- and mid-term.

As was the case in the 100th Congress, the Committee will be required to address a variety of space transportation issues. The return to flight of the space shuttle Discovery in September 1988 was an important event. However, the sustained operation of a safe, reliable space transportation system will require the judicious oversight of the Committee, as well as additional test programs, hardware upgrades, and system and engineering improvements.

The Committee also will be required to assess the space shuttle's proposed flight rate and resource requirements; to oversee development

of the advanced solid rocket motor; to ensure the availability of critical materials and supplies; to provide the resources necessary for a mixed fleet capability (space shuttle and expendable launch vehicles); to assess future launch system requirements and mission models; and to evaluate the final report and recommendations of the National Research Council's Panel for the Technical Evaluation of NASA's Redesign of the Space Shuttle Solid Rocket Booster.

*Space Science and Applications*

In addition to the space transportation system, the Committee will be required to monitor closely the system's present and future payloads. This calls for a thorough review of the NASA research and development budget, in particular the space science and applications budget which is the primary source of NASA payloads.

Missions of particular importance planned during the 101st Congress that will require the Committee's attention include the Magellan mission to Venus (the first planetary mission since 1978), the Galileo mission to Jupiter, the Hubble Space Telescope, the Gamma Ray Observatory, the joint NASA/ESA Ulysses mission to the polar plane of the sun, the Astro mission, several DOD missions, and the launch of the final satellite in the Tracking and Data Relay Satellite configuration. Each of these missions presents a set of issues as diverse as additional reprogramming requests for unforeseen resource requirements and obtaining Presidential waivers to utilize nuclear generators on planetary missions. All of these issues will require Committee oversight.

During the 101st Congress, the Committee also will be required to make important decisions concerning future payloads since the majority of payloads planned after 1992 have not yet been approved. These decisions will require a thorough assessment of various strategic plans and advisory committee reports, as well as a thorough analysis of budget resources. It will be the task of the Committee during the 101st Congress to determine the future priority of payloads and missions and to make sure adequate funding, personnel, facilities, and launch systems are available to implement a diverse set of missions.

*Mission to Planet Earth*

A mission of particular importance to the Committee that will be explored thoroughly in the 101st Congress is the Mission to Planet Earth as outlined in the Ride Report and the NAS Report "Space Science in the Twenty-First Century." In particular, the Committee will evaluate NASA's principal contribution to this mission and the U.S. Global Change Research Program—the Earth Observing System that will be flown on the space station polar platform. In addition, the Committee will thoroughly examine NASA's on-going Earth Science and Applications activities and the existing and proposed data management systems for these activities—critical elements of a comprehensive Global Change Research Program. As a part of the Committee's overall efforts with respect to global change, initiatives concerning global change and Mission to Planet Earth are anticipated by the Subcommittee.

In the 101st Congress, the Committee also intends to assess thoroughly ongoing international activities in the earth sciences and earth observations arena and the potential for expanding the participation of the Soviet Union and the less developed nations in proposed U.S. activities that already include our friends and allies.

*NASA's Space and Aeronautical Technology Base*

Another issue of critical importance that must be explored in the 101st Congress is NASA's technology base and its overall importance to the competitiveness and technological leadership of the United States. The Paine Commission Report and the recent National Research Council Report, "Space Technology to Meet Future Needs," highlight serious deficiencies in the NASA technology base. While preliminary steps have been taken by NASA to correct this situation, such as the Civilian Space Technology Initiative and the Pathfinder Program, the Committee will be required to explore the scope and scale of these and other initiatives to make sure they ensure the competitive position of the United States. A thorough assessment of the NASA technology base also is a critical element of any assessment of future goals and missions.

The Committee also will be required to assess the status of the Nation's aeronautical research and technology programs to determine if the United States is well positioned to maintain its competitive posture and technological leadership in aeronautics. The Committee will assess NASA's Technology Validation and Wind Tunnel Revitalization Plans and NASA's new initiative for a high speed commercial transport. The Committee will be assisted in the latter exercise by a report entitled "Commercial High Speed Aircraft Opportunities and Issues" compiled by the Congressional Research Service (CRS) at the request of the Committee.

The NASA aeronautical research and technology program has been an important element of the Nation's aerospace industries' success in the world markets. At a time when foreign competition in these markets is intensifying at a rapid pace and the U.S. share of these markets is declining, the Committee must work to formulate an aeronautical research and technology program that ensures the technological leadership and competitive posture of the United States and the favorable balance of trade represented by the aerospace industry.

A key research and technology program that will be reviewed by the Committee during the 101st Congress is the National Aerospace Plane. This joint NASA/DOD research and development program will have completed its technology assessment by the summer of 1990. At that time, the Committee will need to decide if the technology assessment warrants development of the X-30 experimental aircraft which has been described as a "flying wind tunnel."

*Space Station*

Finally, as noted at the outset, the Committee will be required to assess the progress of the space station program and to consider legislation required to implement certain provisions contained in the Intergovernmental Agreements and the Memoranda of Understanding.

The space station program is the largest international cooperative project in the history of mankind. Our partners in this endeavor—Canada, Japan, and the ESA—will contribute more than $7 billion in laboratories, free-flying platforms, and attached elements. The Committee, therefore, will have to keep abreast of developments in this program and to understand thoroughly the associated requirements—budgets, personnel, facilities, proposed uses and users, operational requirements, benefits and objectives.

*Policy Issues*

In addition to these programmatic issues, the Committee will be involved in several important policy debates.

For example, the Committee will be required to explore the pluses and minuses of international cooperation versus international competition, to review the U.S./Peoples Republic of China agreement and implementation plan for commercial expendable launch vehicle services, to examine and evaluate a variety of alternative and innovative financing mechanisms for private sector financing of elements of the civil space program, to reexamine the commercial potential of space and the provisions of President Reagan's "Space Policy and Commercial Space Initiative to Begin the Next Century," to assess the scope and potential of the Soviet Space Program, to reassess civil service reform and personnel requirements, and most importantly, to explore a variety of educational initiatives and programs to stimulate student interest in science, mathematics, computer programming, and engineering to ensure the availability of skilled people to implement the Nation's space, science and technology programs.

Based on the number and range of commercial space initiatives included in the Reagan FY 1990 NASA Budget Submission, it is clear that the Committee will be required to reassess the existing commercial space policy and to examine a variety of alternative financing plans. The Committee is concerned that adequate private sector financing is not available with reasonable terms and conditions for the types of programs and activities assumed in the NASA budget request and that a well-defined methodology has not been established for determining the best possible candidates for private sector financing. The Committee, therefore, will examine closely the private sector initiatives included in the NASA budget and the supporting analyses. The Committee also will examine closely the budget ramifications of these initiatives and the total estimated costs of private sector financing versus government financing.

During 1989, the Committee also intends to revisit the Commercially Developed Space Facility issue and to assess thoroughly the findings of the NAS and the National Academy of Public Administration that are expected to be submitted on this issue to the Congress by May 15, 1989.

Finally, the Committee will be working with the space policymaking apparatus in the new Administration. Pursuant to Public Law 100-685, a National Space Council will be reestablished in the White House as of February 1, 1989. The Space Council will be chaired by the Vice

President and be staffed by a civilian executive secretary and a staff of not more than seven persons. The Committee expects to work closely with the National Space Council to play an active role in the formulation of space policy.

To fulfill these requirements and to deal with this broad range of issues in the 101st Congress, the Committee anticipates a very active schedule, that includes a substantial number of hearings and formal briefings.

## DEPARTMENT OF TRANSPORTATION

### *Office of Commercial Space Transportation*

DOT's Office of Commercial Space Transportation, which was created in 1984 pursuant to the Commercial Space Launch Act (Public Law 98-575), is responsible for licensing the commercial launches of expendable launch vehicles (ELVs) and the commercial use of the associated facilities and launch services.

The Committee intends to review closely the Office of Commercial Space Transportation's FY 1990 and 1991 budget requests and the capabilities of the Office to ensure its ability to license and regulate the emerging domestic ELV industry in a manner consistent with its enabling legislation. The Committee also will monitor the role of this Office in the civilian space policymaking process.

The Committee intends also to review any rules and regulations issued by DOT to foster the development of a commercial ELV. In particular, the Committee intends to review closely regulations issued by the DOT that restrict the liability of the commercial ELV industry by providing a Federal indemnification regime, pursuant to Public Law 100-657, the Commercial Space Launch Act Amendments of 1988, enacted last Congress.

DOT is currently reviewing the first and third party insurance requirements of commercial ELV operators pursuant to that law. The Committee intends to review closely these requirements and to ensure their conformance to the 1988 amendments.

In addition, DOT is preparing for the first commercial launch of a communications satellite in 1989. This raises a variety of operational issues that will involve the Committee, including access to federal ranges, use of spectrum, accident investigation procedures, and preemption. The Committee intends to review all of these activities and to examine other issues that pertain to the commercial ELV industry and to the DOT licensing process, including the extent of applicability of that process to government payloads.

The Committee expects its commercial space legislative focus to be the FY 1990 and FY 1991 DOT Office of Commercial Space programs authorization bill.

## DEPARTMENT OF COMMERCE

### *Technology Administration*

Title II of Public Law 100-519, the NIST authorization legislation, enacted on October 24, 1988, creates a new Technology Administration

within DOC and creates the position of Under Secretary for Technology. The law states that the Administration shall include NIST, an Office of Technology Policy, and the National Technical Information Service (NTIS). The new administration also will contain two other programs—the Clearinghouse on State and Local Initiatives and the Japanese Technical Literature Program.

In DOC Organization Order 10-17, dated January 6, 1989, the Secretary of Commerce sets forth the functions of the new Under Secretary and also uses general secretarial reorganization authority to create a new Office of Commercial Affairs within the Technology Administration and to transfer to the new Administration the existing NTIA.

During the first session of the 101st Congress, the Committee will consider authorization legislation for the Technology Administration and its programs and also will examine how these programs can help U.S. industry to strengthen the Nation's technological capabilities and competitiveness. In addition, the Subcommittee on Science, Technology, and Space and the Subcommittee on Communications jointly will work with DOC to include telecommunications in the title and formal mission of the new Administration.

*National Institute of Standards and Technology*

The Technology Competitiveness Act (sections 5101-5164 of the Omnibus Trade and Competitiveness Act of 1988, Public Law 100-418) changed the National Bureau of Standards (NBS) into NIST with expanded authority and responsibility to aid U.S. industrial technology. Specifically, the Act directs NIST to assist industry in the development of basic technology as well as to continue its essential traditional mission of providing measurement standards and services. The Act also authorizes new NIST technology extension activities and establishes a new NIST Advanced Technology Program to aid industrial joint research and development ventures and other business research activities.

During the 101st Congress, the Committee will consider authorization legislation and, as appropriate, legislative amendments regarding these three NIST program areas, as follows.

*NIST internal research and services.*—Since 1901, NBS (now NIST) has been the one Federal laboratory whose mission is to serve U.S. industry and science. It does so by providing the precise measurement techniques and physical measurement standards which are essential for improving quality control and manufacturing processes in this country. New techniques are continually needed to keep pace with increasingly rapid technological developments and the resulting industrial and scientific requirements for more precise measurements. These techniques are needed both to improve manufacturing technology and to ensure efficient, high-quality production in emerging fields such as superconductivity, bioprocess engineering, and optical technologies. NIST works closely with U.S. industry to develop these new techniques.

NIST also serves U.S. commerce by using its measurement techniques to help industry develop voluntary "interface standards" by

which equipment from different manufacturers can be made compatible. This work is particularly important in fields such as computers and robotics. NIST advises both the U.S. Government and private American companies engaged in negotiations over international standards in such fields as computers.

Finally, in recent years in-house researchers at NIST have begun to work with industry to develop new generic technologies, particularly in the critical areas of manufacturing and materials handling. The Automated Manufacturing Research Facility (AMRF) is a notable and valuable example. Already, new software and equipment for controlling automated manufacturing have been transferred from the AMRF to large companies, the Navy, and, through three new extension centers, to small and medium-sized manufacturers. The Technology Competitiveness Act recognizes the importance of NIST's efforts to develop new generic technology and directs the NIST to continue and expand this work.

In recent years, however, NIST's in-house research and services program—the source of these measurement techniques, voluntary standards work, and new generic technology—has received only relatively modest funding increases, despite very large and rapid changes in industial technology and needs. For FY 1989, the internal NIST budget was in fact reduced slightly over the previous year's level. The Committee is concerned about this problem, especially given the determined commercial technology programs of foreign competitors. Within the limits imposed by the budget deficit, the Committee will consider targetted increases to meet specific industry needs.

The Committee also will monitor NIST's implementation of another recent law, the Computer Security Act of 1987 (Public Law 100-235). This law directs NIST to help other Federal civilian agencies to improve their computer security programs.

*NIST technology extension activities.*—Congress provided appropriations in FY 1988 and FY 1989 to implement an important technology extension provision of the Technology Competitiveness Act. This provision calls for the creation of Regional Centers for the Transfer of Manufacturing Technology (Manufacturing Technology Centers). The centers will provide small and medium-sized American manufacturing firms with assistance and expert information on how to automate their facilities and improve productivity and profits, and will help transfer advanced manufacturing technology, both from NIST and elsewhere, to these companies. During 1988, DOC conducted a competition for three center awards. The Department received three dozen applications, a significant expression of interest in the program. On December 20, 1988, the Secretary of Commerce announced the three first-round winners.

During the 101st Congress, the Committee will review the progress of these 3 centers and push for the full 12 centers authorized by the Technology Competitiveness Act. The Committee also will consider authorizations for other technology extension provisions in the Technology Competitiveness Act, particularly provisions directing NIST to assist State industrial extension services.

*NIST Advanced Technology Program.*—The continuing decline of the U.S. technological lead in such vital fields as electronics and advanced materials has led to increased corporate interest in the creation of multiple-company joint research and development ventures. DOC, and particularly its Office of Productivity, Technology, and Innovation (now Office of Technology Policy), has played a central role in encouraging American companies to form these research ventures. Pooling research dollars to perform generic, pre-competitive research of value to an entire American industry has become a valuable tool in strengthening U.S. industrial technology, speeding the creation of new products and manufacturing processes, and generally responding to the well-funded industrial research programs of Japan and the European Community. In two cases—manufacturing and semiconductors—the Federal Government has provided financial aid as well as organizational assistance.

The new NIST Advanced Technology Program provides a civilian agency home for Federal participation in such joint research ventures. During the 101st Congress, the Committee will examine the research needs of key technological fields and consider not only how NIST's internal research programs can aid industry but also consider industry's requests for assistance to new research consortia. Industry groups now are exploring possible research ventures in such economically critical fields as superconductivity, high definition television, and advanced ceramics, as well as possible additional initiatives in general manufacturing and semiconductors.

The Committee also will examine how the Advanced Technology Program might assist small businesses. These small firms remain a major source of new American technology, products, and jobs.

*Office of Technology Policy*

Title II of Public Law 100-519 renamed the DOC Office of Productivity, Technology, and Innovation (OPTI) as the Office of Technology Policy (OTP) and renamed the position of Assistant Secretary for Productivity, Technology, and Innovation to Assistant Secretary for Technology Policy.

OTP analyzes the relationships between technology and U.S. industrial performance and recommends government policies for stimulating U.S. private sector productivity, competitiveness, economic security, and growth. In the past, OPTI also carried out certain statutory responsibilities, including technology transfer functions under the Stevenson-Wydler Technology Innovation Act and the Metric Conversion Act, and conducted several business outreach programs. Under DOC Departmental Organization Order 10-17, dated January 6, 1989, these statutory and outreach activities formerly conducted by OPTI will be transferred to a new Office of Commercial Affairs.

During the 101st Congress, the Committee will review the activities of OTP, authorize necessary appropriations, and review the organization and activities of the new Office of Commercial Affairs.

*National Technical Information Service*

NTIS disseminates unclassified technical and scientific documents produced by the Federal Government. It also acquires a small number of foreign technical documents. Most activities of the Service are self-supporting through user fees, although its patent licensing program has received annual authorizations and appropriations in past years.

In 1988, Congress rejected Reagan Administration proposals to turn most of NTIS' operations over to private contractors. Since NTIS' document operations already are self-supporting, Congress saw no cost savings to the taxpayers by contracting out major activities. Instead, Congress passed the National Technical Information Act of 1988 (Title III of Public Law 100-519). This provision preserves NTIS as a government operation, allows contracts with private firms under specific conditions, and clarifies past law to make explicit that NTIS has the authority to use retained surplus revenues to modernize its equipment and facilities. During the 101st Congress, the Committee will monitor the implementation of this legislation. Because this program is self-supporting, the Committee does not expect to authorize any direct appropriations for NTIS for FY 1990.

*Clearinghouse on State and Local Initiatives*

The Technology Competitiveness Act also created, by amending the Stevenson-Wydler Technology Innovation Act of 1980, a new DOC Clearinghouse for State and Local Initiatives on Productivity, Technology, and Innovation. This Clearinghouse is to serve as a central repository of information on initiatives by State and local governments to enhance the competitiveness of American business. Congress has provided appropriations to start the Clearinghouse, which will now be housed within the new Technology Administration. The Committee will review the implementation of this important new activity and reauthorize it.

*Japanese Technical Literature Program*

In 1986 the Japanese Technical Literature Act (Public Law 99-382) became law. The Act directs the Secretary of Commerce to monitor Japanese technical activities, acquire and translate selected Japanese technical reports, prepare annual reports on important Japanese technical innovations, and prepare an annual directory of programs in the United States which acquire and translate Japanese scientific and technical information. Congress has provided modest appropriations for this important source of information on Japanese science and technology.

During the 101st Congress, the Committee will conduct oversight on the program, consider whether any changes are needed in the law, and consider reauthorizing the program. The Committee also will examine DOC's progress in carrying out the law's requirement to open a program office in Tokyo.

## OVERSIGHT AND OTHER ISSUES

### OFFICE OF SCIENCE AND TECHNOLOGY POLICY

OSTP was created by the National Science and Technology Policy, Organization, and Priorities Act of 1976 (Public Law 94-282). OSTP is part of the Executive Office of the President. It is headed by a Director who also serves as Science Advisor to the President.

The Committee recognizes the importance of this office in coordinating national science, technology, and engineering policy and will consider legislation to strengthen its coordination responsibilities and the role of an associated interagency group, FCCSET.

### NATIONAL SCIENCE FOUNDATION

NSF is the only Federal agency whose primary responsibility is the support of basic research in all fields of science and engineering. As such, it plays a critical role in generating new research and training new generations of scientists and engineers.

The Committee shares Senate authorization jurisdiction over NSF with the Committee on Labor and Human Resources. Pursuant to a unanimous consent agreement approved by the Senate on March 3, 1988, all research, Antarctic, and related provisions of each NSF authorization bill will be sequentially referred to the Commerce Committee for a period not to exceed 30 legislative days, not including days when the Senate is not in session. The Labor Committee retains sole jurisdiction over science and engineering education activities at NSF.

Following this jurisdictional agreement, the Committee in 1988 considered an NSF authorization bill reported earlier by the Labor Committee. The resulting National Science Foundation Authorization Act of 1988 (Public Law 100-570) reauthorizes NSF's programs for 5 years. The law's authorization levels strongly supports the Reagan Administration's request to double the NSF budget over the next 5 years. In addition, Title II of the Act creates a new Academic Research Facilities Modernization Program at NSF to help American universities and colleges renovate obsolete research laboratories and related facilities.

During the 101st Congress, the Committee will consider oversight hearings on NSF and carefully will review 4 NSF issues—the progress of its scientific and engineering research programs; the facilities modernization program plan that the 1988 Act requires NSF to submit; NSF's contributions to the interagency Global Change Program; and the Antarctic research program, including both new research there to understand global change and marine biology and proposals to spend additional funds to clean up environmental problems at the principal U.S. Antarctic facilities. The Committee continues to have great interest in how NSF's programs and activities can contribute to the scientific and technological strength of the Nation.

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

Each year more than one thousand earthquakes are detected in the United States. Depending on their location and magnitude, earthquakes can cause billions of dollars in property damage and injure or kill thousands of people. In 1985, for example, a major earthquake struck Mexico City, killing over 9,000 persons and damaging over 7,000 buildings. The December 7, 1988, earthquake in Soviet Armenia killed tens of thousands and left hundreds of thousands of people homeless.

Earthquakes are not only a West Coast problem. Earthquakes in the central and eastern United States are less frequent but potentially even more damaging than earthquakes in the West. Thirty-nine States and 70 million people in the United States are exposed to at least moderate earthquake hazards.

Congress passed the Earthquake Hazards Reduction Act of 1977 (Public Law 95-124) to develop a comprehensive national policy and a coordinated program to reduce the hazards and risks of earthquakes. The Act directs four Federal agencies—the Federal Emergency Management Agency (FEMA), the U.S. Geological Survey, NSF and NIST—to conduct a variety of activities such as prediction research, hazard mitigation, earthquake engineering, and response planning for major earthquakes.

During the 100th Congress, a 3-year bill (Public Law 100-252) was passed which authorizes program appropriations for FY 1988, 1989, and 1990. During the 101st Congress, the Committee plans oversight hearings on the earthquake program and may consider legislative changes to strengthen it. The Committee is particularly interested in examining proposals to strengthen program management, improve seismic networks and earthquake preparedness in the Central and Eastern States, and speed the transfer of research results to State and local planners.

In addition, the Committee is aware of growing public interest in the issue of earthquake insurance. The Committee may examine this subject during its oversight hearings.

SCIENCE, TECHNOLOGY, AND U.S. INDUSTRIAL COMPETITIVENESS

*Federal role in assisting industrial technology.*—The President's Commission on Industrial Competitiveness concluded in its 1985 report that technology is this nation's strongest competitive advantage. Other countries have lower wages; Americans must depend on superior technology in order to stay competitive. Yet, as the Commission noted then, the United States is not as strong as it should be in two crucial fields—research with industrial competitiveness as its goal and manufacturing technology.

Since the report was issued, both government and industry have taken steps to strengthen U.S. technological research and to improve both commercialization and manufacturing. The Committee's Technology Competitiveness Act is the major new statute in this area. Yet the foreign technological challenge also has grown. In 1986 and 1987, the Japan Key Technology Center program alone established 40

major government-backed industrial research projects in critical fields such as computers, new materials, and biotechnology. The European Community's Eureka program has funded 213 joint projects in electronics alone.

The United States, therefore, continues to face strong and determined challenges to its technological leadership, and the United States must continue to explore and develop new ways to improve research in economically strategic fields and to speed the commercialization and cost-effective manufacturing of the resulting technologies. The Committee intends to continue to play an active role in helping to develop a new technology policy for the Nation.

The Full Committee and the Subcommittee will focus particularly on three subjects—how NIST and other agencies can further contribute to U.S. industrial competitiveness; how additional cooperative research among government, industry, and universities can strengthen the Nation's civilian technology base and speed the commercialization of new ideas; and how the various research programs of the Federal Government might be better coordinated and better directed to support industry.

In the first area, the Committee will devote much of its attention to exploring how both NIST's in-house research and its new extension activities and Advanced Technology Program can assist American companies in their efforts to speed commercialization and improve manufacturing.

Second, the Committee will continue to review innovative forms of cooperative research and consortia, including multiple-company joint research and development ventures as permitted by the National Cooperative Research Act of 1984 (Public Law 98-462); university-industry centers of the type sponsored by NSF; and cooperative agreements among Federal laboratories, companies, and others, as authorized by the Federal Technology Transfer Act of 1986 (Public Law 99-502). These organizational models offer great promise to encourage cooperation, cost-sharing, and technology transfer in research. The Committee will explore which kinds of research efforts are most appropriate for different technical fields.

Third, the Committee will explore how OSTP and FCCSET can help better coordinate the Federal Government's large existing research investments and make them more useful to American companies.

### HIGH-PERFORMANCE COMPUTING

The Committee plans to devote particular attention to needs and opportunities in the field of high-performance computing. Computers are perhaps the central technology of the information age, and important not only as a vital research tool but also as an economically strategic industry.

The Committee's starting point in this field is a November 1987 OSTP report entitled, "A Research and Development Strategy for High Performance Computing." OSTP prepared the report in response to a Committee-authored provision in the National Science Foundation Authorization Act for Fiscal Year 1987 (Public Law 99-383). The report

proposes an ambitious program to ensure U.S. leadership in advanced computing.

In order to evaluate the report's recommendations and to prepare for possible legislation, the Committee expects to review four related computer issues: NSF's supercomputer program, the development a national research communications network, the ways in which the Federal Government's research computers and networks can assist the private sector to develop related technologies and services, and what kinds of research programs and policies are needed to help U.S. industry maintain its competitive lead in computers.

NSF currently supports 5 supercomputer centers, as well as a supercomputer at the National Center for Atmospheric Research. These computers and their users are linked together by an increasingly sophisticated communications network. These NSF programs and similar research computers and networks sponsored by other Federal agencie not only have become valuable research tools but also have created a new kind of communications infrastructure. Therefore, in addition to examining NSF's plans to upgrade its supercomputer centers and related Federal plans to create a National Research Network, the Committee also will examine whether the specific technologies and types of services developed by this Federal investment can be transferred to U.S. commercial companies. Properly designed, a Federal computer infrastructure might help American firms create sophisticated and competitive commercial products.

Finally, the Committee is concerned about the future competitiveness of the American computer industry. Supercomputer firms, in particular, face increasingly strong competition from Japan. In addition to reviewing how Federal procurement aids the industry, the Committee also will consider whether additional research in hardware and software can help the U.S. industry stay competitive.

### FEDERAL RESEARCH AND TECHNICAL SUPPORT IN OTHER FIELDS

Federal departments and agencies spend large amounts of research funds to advance the state of the art in many technical fields, including not only computers but also manufacturing, other electronics, and such emerging fields as superconductors, advanced materials, genetic engineering, and optical technologies. Traditionally, much of this funding has been in support of Federal defense, space, and health missions, but increasingly both Congress and the executive branch have sought to direct and coordinate these efforts so that they also advance U.S. industrial competitiveness. With the creation of Sematech, a semiconductor manufacturing consortium funded jointly by industry and the government, Federal officials also have begun to consider special research projects to meet the needs of specific critical industries.

During the 101st Congress, the Committee will monitor these various efforts and consider hearings on several important technical fields as follows.

*Advanced electronics.*—Besides computers, the main technologies in the electronics field include high definition television and semiconductors. Some analysts believe that high definition television will be a

multi-billion industry by the late 1990s and one closely connected to the computer and semiconductor fields. A recent report by a DOC advisory committee recommends increased government-industry cooperation to help ensure that American companies have the basic technology needed to develop a U.S. HDTV industry. The Committee will consider hearings and, as appropriate, legislation in this area.

In the semiconductor field, some officials have advocated government assistance to help American companies develop X-ray lithography, a new way to make ultra-small computer circuits. Japan has well-developed facilities in this area. Here, too, the Committee will consider hearings, as well as a possible role by NIST.

*Superconductors.*—The Federal Government spent $162 million on superconductivity research during FY 1988 and will spend an estimated $252 million during FY 1989. The Committee will review the degree to which this Federal investment will help U.S. companies create an American superconductor industry. The Committee also will consider the recommendations recently made by a committee of the White House Science Council. The report, "High Temperature Superconductivity: Perseverance and Cooperation on the Road to Commercialization," recommends the creation of additional government-university-industry research consortia.

*Other materials and minerals.*—In addition to monitoring superconductivity research programs, the Committee also will review Federal efforts to develop other advanced materials, including high technology ceramics and composites, and to transfer the results of these research programs to U.S. industry. In June 1988, OTA completed a report on these materials for the Committee. That report, "Advanced Materials by Design," may serve as the basis for hearings on this subject.

In addition, the Committee will continue to monitor strategic mineral issues. The United States has become increasingly dependent on foreign sources for supplies of many strategic minerals and materials critically important to national security and the economy. This problem is complicated by potential supply interruptions. Many U.S. industries also depend on foreign processing of raw materials into usable forms. The Committee developed the National Materials and Minerals Policy, Research, and Development Act of 1980 (Public Law 96-579) to establish responsibilities for addressing problems related to strategic materials. The Committee will continue to monitor this program.

*Genetic engineering.*—Biotechnology, encompassing both new classes of medical and industrial products and new production processes, has emerged as one of the most important of the new high technology industries. Research in this area is burgeoning. The Committee monitors three aspects of biotechnology—Federal research programs to advance biotechnology, particularly bioprocess engineering; the scientific information base used to make judgments about the risks and benefits of new biotechnology products; and the competitive health of the U.S. biotechnology industry. The Committee will consider hearings on these subjects. As appropriate, the Committee also will consider hearings on the ethical issues raised by research in genetic engineering and the resulting applications.

*International science and technology.*—U.S. science and technology policy issues increasingly have international dimensions. As it has during past years, the Committee will monitor three types of international issues during the 101st Congress—large international research projects, particularly the manned space station; the strengthening of U.S. programs to monitor and analyze foreign advances in science and technology; and the policies and international agreements governing foreign access to U.S. science and technology and American access to foreign research.

Specific activities will include oversight of the Commerce Department's implementation of the Japanese Technical Literature Act of 1986 (Public Law 99-382); oversight of the provision in Executive Order 12591 which directs the Secretaries of State and Commerce and the NSF Director to develop a central mechanism for the dissemination of science and technology information developed abroad; implementation of the new U.S.-Japan Agreement on Cooperation in Research and Development in Science and Technology, signed by the leaders of the two countries on June 20, 1988; and implementation of the new U.S.-Soviet Science Agreement.

## NOMINATIONS

During the 101st Congress, the Committee expects to receive and consider the following nominations in the area of science, technology, and space: Director, OSTP (who also serves as Science Advisor to the President); Associate Directors, OSTP; Administrator and Deputy Administrator, NASA; Under Secretary for Technology and Assistant Secretary for Technology Policy, DOC; and Director, NIST.

## SURFACE TRANSPORTATION

### INTRODUCTION

The Committee is responsible for the oversight and regulation of interstate common carriers, including railroads, trucks, buses, and pipelines with respect to economic issues and safety. In fulfilling this responsibility, the Committee authorizes funding for the Federal Railroad Safety Act, Amtrak, the Motor Carrier Safety Act, the Hazardous Liquid Pipeline Safety Act (HLPSA), the Natural Gas Pipeline Safety Act (NGPSA), and the Hazardous Materials Transportation Act (HMTA). Further, the Committee exercises oversight with regard to the Interstate Commerce Commission (ICC), the Federal Railroad Administration (FRA) within DOT, the Research and Special Programs Administration (RSPA) within DOT, motor carrier functions within the Federal Highway Administration (FHWA), and motor carrier standards issued by NHTSA.

### AUTHORIZATIONS

#### HAZARDOUS MATERIALS TRANSPORTATION

DOT is responsible for regulating the transportation of hazardous materials by motor carrier, rail, pipeline, air and water. These regulations, enforcement, emergency response, information-gathering and training efforts are coordinated with other Federal agencies (Nuclear Regulatory Commission, FEMA, EPA, U.S. Coast Guard, and NTSB) as well as State and local authorities.

The Committee held three hearings during the 100th Congress on the HMTA. These hearings are expected to form a basis for much of the Committee's effort to reauthorize the HMTA this Congress. As part of the hearing process, the Committee reviewed the conclusions from a study that the Committee requested of OTA regarding the adequacy of current hazardous materials transportation data, training levels for enforcement and emergency response, and container technology. According to the OTA study, over 1.5 billion tons of hazardous materials are transported annually by land, sea and air in the United States. More than half of this is carried by truck. Issues addressed by OTA and others during these hearings included the current need by State and local governments for assistance in the training of emergency responders; proposals for a Federal registration program for hazardous materials shippers and carriers; the lack of a unified Federal effort in this area, resulting in States and localities seeking to implement their own, often inconsistent, hazardous materials regulations and fees; the need to improve the data base on the flow of hazardous materials; and the safety of containers used to transport high-level radioactive waste and spent nuclear fuel.

During the 101st Congress, the Committee hopes to build upon the record developed in the previous Congress by holding hearings to examine legislative proposals that would lead to enactment of legislation to amend the HMTA and improve hazardous materials transportation safety.

## AMTRAK

In 1970, the Railroad Passenger Service Act was enacted, creating the National Railroad Passenger Corporation (Amtrak) in order to free the rail freight industry from the economic burden of providing ongoing passenger service and to ensure that modern efficient, intercity railroad passenger service would continue to be a part of the Nation's transportation system. Since that time, Amtrak has received Federal funding to help cover its operating, capital, and labor protection costs.

Funding for Amtrak was most recently authorized in the Omnibus Budget Reconciliation Act of 1985, for FY 1986 through 1988. For budgetary reasons, however, actual appropriations for Amtrak have not matched those authorized for the corporation. The authorized spending level for Amtrak for FY 1988 was $630.3 million, whereas the actual appropriation level for Amtrak approved in the Continuing Resolution for FY 1988 was $580.8 million, a reduction from the $602 million appropriated for Amtrak in FY 1987. Legislation reauthorizing funding for Amtrak for FY 1989 through 1991 was approved by the Committee during the 100th Congress, but was not considered by the full Senate. For FY 1989, Congress approved an appropriation level of $584 million for Amtrak.

A hearing held during the 100th Congress highlighted the improvements Amtrak has made in its financial and ridership performance over the last several years. These financial improvements can be attributed in large part to the return on capital invested in Amtrak during the late 1970's and early 1980s. This capital enabled Amtrak to purchase new rolling stock and new facilities, which has resulted in a significant reduction in the cost of operating and maintaining equipment.

Since 1981, however, the amount of appropriations available for capital investment has declined considerably. As a result Amtrak has reached a critical juncture with respect to its need for capital, and will have difficulty absorbing the cuts in capital grants that have characterized the past several years without a decline in the quality of service.

The Committee expects to consider legislation early in the first session of the 101st Congress which would reauthorize Amtrak at a level sufficient to fund some of Amtrak's most important capital projects and thereby enable Amtrak to continue its financial progress.

## LOCAL RAIL SERVICE ASSISTANCE

The Local Rail Service Assistance Program (LRSA), administered by the FRA, provides Federal grants to States for the purchase and/or rehabilitation of light-density rail lines which would otherwise be abandoned as unprofitable. This has provided continued rail service on

many lines that would otherwise have been abandoned, particularly in recent years as railroads have utilized increased freedoms to spin off unprofitable lines.

In the Omnibus Budget Reconciliation Act of 1985, Congress approved a provision terminating funding for LRSA after FY 1988. Legislation approved by the Commerce Committee to reauthorize LRSA for FY 1989, 1990 and 1991 was not considered on the Senate floor, nor was a House passed-measure that would have reauthorized the program for FY 1989.

In light of the support for this program on the part of many rural States, the Committee will further examine LRSA and consider reauthorization of this program.

### RAILROAD SAFETY

Rail safety was an issue of significant concern during the 100th Congress, much of it arising from the investigation surrounding the tragic accident on January 4, 1987 involving an Amtrak train and three Conrail locomotive units near Chase, Maryland, which caused 16 deaths and over 170 injuries. In response to this accident and in meeting its continuing responsibility to ensure rail safety, Congress enacted legislation that resulted in substantial improvements in the Federal Rail Safety Act of 1970. The Rail Safety Improvement Act of 1988 (Public Law 100-342) contained a number of significant provisions, including those which provided the FRA with first-time authority to sanction or fine individuals (labor and management) for violations of the safety laws; increased the maximum civil penalty for safety violations from $2,500 to $10,000 per day per violation, with a super penalty of $20,000 for gross negligence or a pattern of repeated violations; imposed a new penalty for tampering or disabling of safety devices; required a rulemaking on licensing or certification of engineers; provided access to the National Driver Register to ensure operator qualifications; ensured the eligibility for Federal funds of certain safety-related improvements on Amtrak; required the imposition of automatic train controls on the Northeast Corridor; mandated the certification of pre-trip cab and locomotive inspections; directed improvements to rail highway grade-crossings; and provided greater protection for rail workers, including those employees who report safety violations. Increased funding for the Federal rail safety program was also authorized as part of this legislation.

During the 101st Congress, the Committee intends to conduct oversight of the implementation of the Rail Safety Improvement Act and take action within the second session to reauthorize the program for years following FY 1990, when the current authorization expires.

## OVERSIGHT AND OTHER ISSUES

### MOTOR CARRIER SAFETY

Truck and bus safety continues to evolve as a major issue of concern to the Committee. Last year, Congress passed the Truck and Bus Safety

and Regulatory Reform Act of 1988 (Public Law 100-690) which was included as part of the omnibus anti-drug legislation. This legislation will statutorily eliminate the commercial zone exemption, by which DOT had allowed trucks and buses to operate in certain metropolitan areas ("commercial zones") without being subject to the Federal Motor Carrier Safety Regulations for drivers and equipment. The legislation also included provisions requiring a study of drivers' Hours of Service regulations, a rulemaking on means of improving compliance with Hours of Service regulations through the use of on-board computers and other devices, a rulemaking on maintenance and inspection of motor carrier brake systems, a report by DOT on means of improving truck brake performance, and the issuance of regulations establishing a biometric identification system to ensure proper identification of operators pursuant to the 1986 Commercial Motor Vehicle Safety Act.

The Committee will continue to monitor implementation of the Commercial Motor Vehicle Safety Act (Public Law 99-570), which requires the formation of a national uniform system for licensing commercial drivers, and of the Motor Carrier Safety Act of 1984 (Public Law 98-554), which includes requirements for annual inspection of trucks and buses and safety fitness ratings of motor carriers.

During the 101st Congress, the Committee intends to hold oversight hearings on the Motor Carrier Safety Assistance Program, various motor carrier safety issues and safety-related rulemakings, the committee-endorsed study by the OTA assessing motor carrier safety and DOT's implementation of the Truck and Bus Safety and Regulatory Reform Act of 1988, the Commercial Motor Vehicle Safety Act of 1986 and the Motor Carrier Safety Act of 1984.

### STAGGERS RAIL ACT OF 1980

In 1980, Congress enacted the Staggers Rail Act in an effort to revitalize the rail industry, which had been in a state of decline for several decades. The Staggers Rail Act was intended to give the railroads the regulatory freedom to respond to changing economic conditions in the marketplace, while promoting competition within the rail industry and retaining regulatory protection where competition is not sufficient to ensure continued rail service at reasonable rates.

Most railroads and shippers would agree that the Staggers Act has resulted in an improved economic picture for the rail industry. Concerns continue to exist regarding the financial well-being of the industry due to intense competition from the trucking industry and other factors, and because railroads earn relatively low rates of return on their rail operations. The widespread concerns about the demise or nationalization of the industry which existed in the 1970's no longer exist in 1989, however. Private investment in the rail industry is looked upon with greater favor.

Under the Staggers Act, many shippers have seen an improvement in service and a decline in rates in real terms. Using Staggers freedoms, the railroads and shippers have negotiated more than 74,600 contracts, and more than 60 percent of all rail coal and grain traffic moves under

such contracts. However, improvements in the rail industry have not come without criticism. Today there are a third fewer employees within the rail industry than there were in 1980, and some communities have lost service on account of the service freedoms extended to the industry in 1980. Certain shippers have also complained that the ICC has failed to enforce the captive shipper and other protections contained within the Staggers Rail Act.

During the 100th Congress, the Committee conducted hearings monitoring the effects of the Staggers Rail Act. These hearings provided an overview of the financial health of the rail industry, reviewed the ICC's implementation of the Staggers Rail Act and considered legislative proposals to amend the Act. However, legislation to amend the Staggers Act was not approved by the Committee when it was considered in the second session of the 100th Congress.

During the 101st Congress, the Committee will continue to monitor the Staggers Act and the ICC's implementation of it. Also expected to be available for review will be the results of a comprehensive study examining the state of the rail industry and the effects of the Staggers Act on industry health and service. This study is being conducted by GAO, at the request of Members of the Committee, in order to fulfill the Committee's role in maintaining oversight of conditions within the rail industry and their impact on shippers and the public.

## RAILROAD LINE SALES

Recent years saw a marked increase in the formation of shortline and regional railroads as the result of restructuring within the rail industry whereby large railroads sold lines, many of which were only marginally profitable, to shortline and regional railroads. Shortline and regional carriers are typically able to operate these lines with greater flexibility than Class I carriers. The growth of shortline and regional railroads has been furthered by procedures adopted by the ICC to exempt these transactions from the extensive and time-consuming pre-approval requirements placed on traditional line sales. The ICC also has chosen not to impose labor protection in these transactions, based on the rationale that the imposition of labor protection would undermine these transactions, resulting in increased abandonments.

The issue of line sales is controversial. The rail industry typically supports the flexibility offered by line sales and shippers often view these sales as positive alternatives to abandonments. On the other hand, rail labor has charged that these sales are being used to circumvent collective bargaining agreements and have resulted in a decrease in employment within the industry. This controversy has slowed the growth of shortline and regional railroads over the past year. Federal courts have issued conflicting decisions regarding the role of labor in approving these transactions, as well as whether or not certain of these sales have improperly circumvented collective bargaining agreements. The decision by the ICC not to impose labor protection in the majority of these transactions also continues to be an issue of contention.

Interest in railroad line sales is expected to continue in the 101st Congress as the Committee observes court proceedings surrounding this issue, including an appeal that will be heard by the U.S. Supreme Court in 1989. The Committee will pay particular attention to these cases and the ICC's decisions in this area, and will examine the impact that any significant decrease in line sales may have on service to shippers and small communities, those parties most affected by any increase in abandonments that might occur should railroads reduce service as an alternative to line sales.

## MOTOR CARRIER ACT OF 1980

In the Motor Carrier Act of 1980, Congress eased entry requirements, limited rate-making authority and expanded business opportunities for the trucking industry. The ICC was given continued regulatory authority for purposes including the promotion of competition, the maintenance of fair working conditions and assurance of service to small communities. Passage of the Motor Carrier Act has resulted in an influx of new entrants in the trucking industry, additional transportation alternatives for certain shippers, and strong competitive pressures within the trucking industry.

During the 101st Congress, the Committee is expected to review the ICC's implementation of the Motor Carrier Act, the impact of the Act on industry and shippers, including issues such as service, pricing, safety and competition, as well as proposals for further modifications in the national motor carrier policy.

The Committee may also be expected to consider the issue of negotiated rates and freight undercharges in connection with oversight of the Motor Carrier Act. This issue is important to shippers and carriers who are striving to deal with the consequences of carriers in bankruptcy. Shippers are particularly concerned about this issue inasmuch as many of them face undercharge claims for transportation services previously provided at negotiated rates, but where new tariffs were not filed by the carriers to reflect the rates negotiated with individual shippers. As carriers have entered bankruptcy with increasing frequency, shippers have been called upon to pay the differences between the tariff rates on file with the ICC and the rates negotiated, but which were either not filed or were incorrectly filed by the carriers. Administrative efforts by the ICC to allow equitable defenses in these cases, the mixed response of Federal courts to these efforts, and legislative proposals to address this matter may be considered during the 101st Congress.

## OTHER MOTOR CARRIER ISSUES

For some time, the Committee has been concerned about the level of attention given to motor carrier issues within DOT. Through oversight and legislation that may be introduced in the 101st Congress, the Committee intends to continue in its effort to ensure that high level attention is given to safety and other issues surrounding motor carriers.

The Committee will also continue to examine the status of passenger bus service since enactment of the Bus Regulatory Reform Act of 1982. As a part of this effort, the Committee will give specific emphasis to ways in which to stem the loss of bus service to rural communities.

## TAXATION OF INTERSTATE TRANSPORTATION

Federal laws govern the manner in which States may tax certain interstate transportation modes. Existing statutory authority seeks to protect the rail, aviation and motor carrier industries from discriminatory State and local taxation, although the method of protection varies among these industries. Other transportation modes, such as the natural gas pipeline and barge industries, have favored the enactment of similar legislation to protect their industries from bearing a disproportionate level of taxation with its concomitant burden on interstate commerce. Certain States and localities have argued, however, that existing and proposed Federal statutory authority can serve as unwarranted intrusions into the manner in which they tax property located within their States. The Committee can be expected to further examine this issue in the 101st Congress.

## PIPELINE SAFETY

In October of 1988, Congress passed the Pipeline Safety Reauthorization Act of 1988 (Public Law 100-561), which authorized appropriations for FY 1988 through 1991 for implementing the NGPSA and the HLPSA.

Other major provisions in the legislation provided DOT with authority to test and certify pipeline operators; granted DOT the authority to establish qualifications for State inspectors and other requirements for the States to meet in order to participate in the Pipeline Safety Grant Program; increased the civil penalty for pipeline safety violations from $1,000 to up to $10,000 per violation and increased the cap on a series of related violations to $500,000; mandated additional inspection and testing of pipelines; provided DOT with the authority to formulate a model one-call notification system for adoption by the States; mandated the establishment of standards to improve the level of information related to pipeline location, product movement, and emergency response procedures; and provided for the regulation of carbon dioxide under the HLPSA.

The Committee intends to monitor the implementation of the Pipeline Safety Reauthorization Act. Another matter of continued interest to the Committee is the ongoing court challenge of the user fee created by legislation in 1986 to support the pipeline safety programs. The fee is assessed on persons operating pipeline facilities subject to the HLPSA, and pipeline transmission facilities and liquified natural gas facilities subject to the NGPSA. The suit, which will be heard by the Supreme Court, claims the user fee constitutes an invalid delegation of the taxing authority of Congress. The Committee will continue to monitor the progress of the case.

## NOMINATIONS

### INTERSTATE COMMERCE COMMISSION

Since 1986, the membership of the ICC has been composed of five commissioners serving 5-year terms. During the 100th Congress, the full Commerce Committee held a hearing and the Senate acted to confirm one nominee to serve a term as commissioner through December 31, 1991. The Committee did not act on the renomination of one of the sitting commissioners, whose term expired at the end of 1987, but who has continued to serve, as commissioners may, until his successor is appointed. The term of the sitting chairman of the ICC expired on December 31, 1988. The term of another commissioner expires at the end of 1989.

### FEDERAL RAILROAD ADMINISTRATOR

The Federal Railroad Administrator is responsible for coordinating rail functions within DOT. The Committee has jurisdiction over the nomination to fill this position.

### AMTRAK

The Committee expects to receive nominations for three positions on the Amtrak Board of Directors. The terms for these members expire in 1990.

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